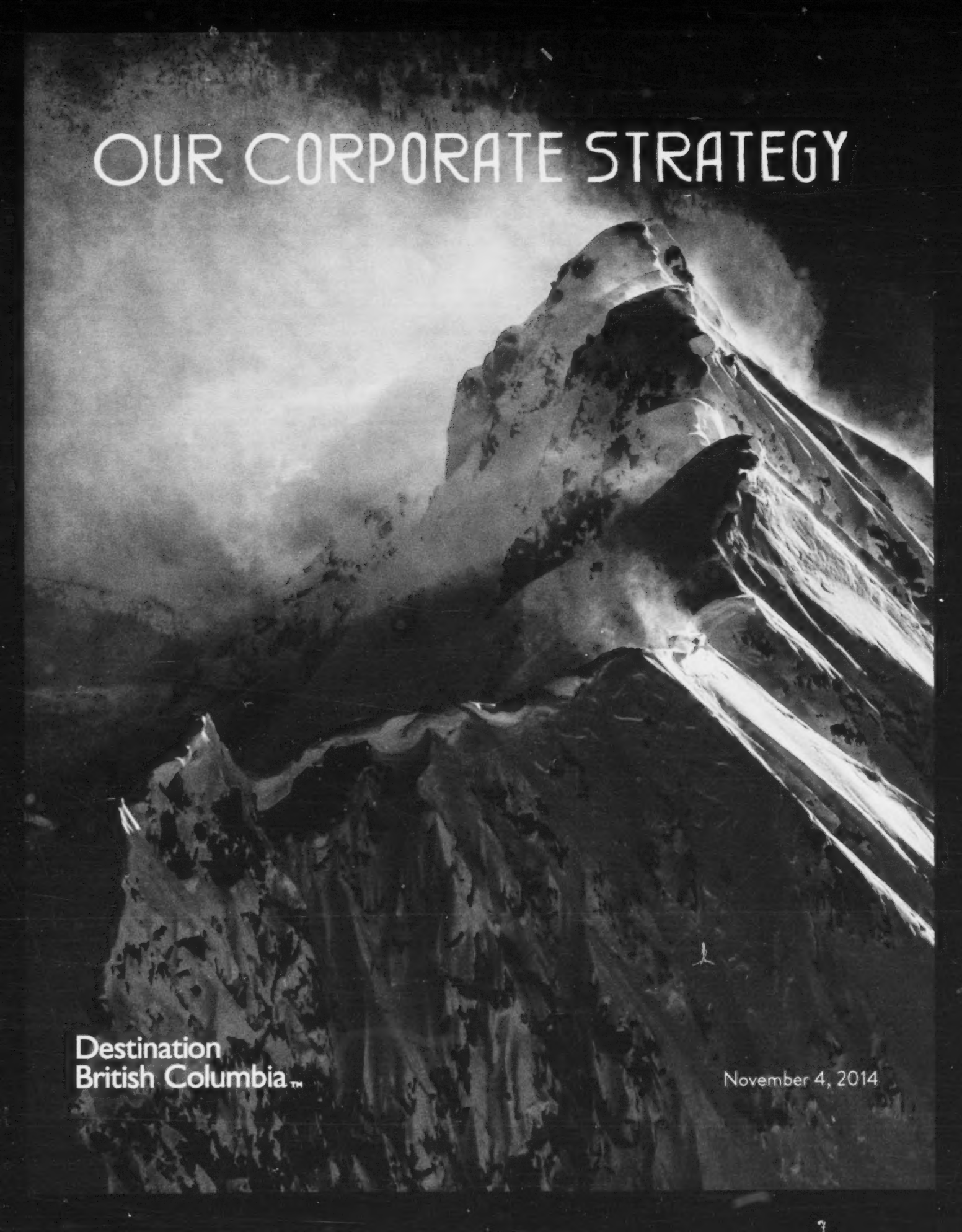
OUR CORPORATE STRATEGY



Destination British Columbia™

November 4, 2014

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Acronyms

The following acronyms are commonly used throughout this document.

- AtBC – Aboriginal Tourism Association of BC
- BCVC – British Columbia Visitor Centres
- CDMO – Community Destination Management Organizations
- CTC – Canadian Tourism Commission
- CVC – Community Visitor Centres
- DBC – Destination BC
- DMO – Destination Management or Destination Marketing Organization
- EQ – Explorer Quotient (CTC program)
- MCIT – Meetings, Conventions and Incentive Travel
- MJTST – Ministry of Jobs, Tourism and Skills Training
- MRDT – Municipal Regional District Tax
- OTA – Online Travel Agent
- PDMO – Provincial Destination Management Organizations
- RDMO – Regional Destination Management Organizations
- ROI – Return on Investment
- SMO – Sector Marketing Organizations
- VFR - Visiting Friends and Relatives

Destination
British Columbia™

Dear Tourism Colleagues,

We are proud to present Destination BC's new corporate strategy. It is our rallying cry for the industry to come together in pursuing common goals.

There is enormous opportunity today and in our future. Tourism is one of the fastest growing economic sectors and largest export earners in the world. Strong economies and a burgeoning middle class in some of the world's most populous markets have fueled consumer confidence. And, with wealth, comes travel: a billion people poised to explore the planet. British Columbia — already one of the world's most inspiring places to live, work, study, invest and visit — is catching this wave of potential.

This new era of tourism is different. The marketplace is intensely competitive. Travel planning and preferences have shifted. We're competing on a global scale against tourism experiences that are engaging travellers' imaginations in fresh new ways, with sophisticated marketing from well-funded Destination Marketing Organizations around the world.

In short, if we want to win, we must be better and smarter than the competition.

Since Destination BC's inception, we've been listening to industry's many voices, gathering perspectives on the best approach to building value for the businesses and people in our visitor economy and seeking direction on the most important role for us in that work. Industry wants bold leadership and a clear plan. They need inspired marketing to draw the world to their doorstep. And, like every business, they want to get maximum value from every dollar in BC's tourism system.

This corporate plan lays out the strategy we are following for the next three years to help British Columbia reach its full potential as a tourism destination — our plan for how we will win, together.

We look forward to the prosperity of tomorrow.

Marsha Walden, CEO
Destination British Columbia

Andrea Shaw, Board Chair
Destination British Columbia

BRITISH COLUMBIA

A Message from the Ministers Responsible for Tourism

Destination BC was established by the Province in April 2013 to strategically lead the marketing of British Columbia as a tourist destination and promote the development and growth of the tourism industry in British Columbia. Its corporate strategy sets out a strong framework for Destination BC to fulfill this role in collaboration with its industry, regional, community, and Aboriginal partners.

Tourism is one of the key sectors in the BC Jobs Plan. Destination BC's Corporate Strategy will play a key role in tapping into tourism's potential, increasing tourism revenue, businesses and jobs, bringing prosperity to British Columbians throughout the province.

Tourism is an important economic sector for British Columbia. In fact, tourism supports 1 in every 15 jobs, employing 132,200 people. In 2013, the tourism sector contributed $7.3 billion to the province's Gross Domestic Product. With the recent upsurge in visitation from key markets such as the US and China, there is strong potential for further growth in our tourism sector.

Destination BC and its partners can maximize marketing resources and ensure British Columbia features prominently in today's globally competitive tourism market place by enhancing its own marketing focus and capacity, improving the alignment between destination marketing organizations at all levels, and streamlining administrative costs within the system.

Destination BC and its partners can help British Columbians benefit from the tremendous potential of the tourism sector by promoting a better understanding of and support for the importance of tourism in growing local economies. It also includes the expansion of Aboriginal cultural tourism – an experience sought out by one in four visitors to B.C.

To gather feedback from industry and community stakeholders on how best to implement this strategy and proposed changes to its cooperative marketing funding programs, Destination BC is engaging in a consultation process beginning in November 2014. We encourage tourism stakeholders to attend and present their views.

Destination BC's corporate strategy will strengthen the tourism sector. Using a coordinated, partnership-based approach we can showcase our province to potential visitors around the globe and motivate them to experience all we have to offer.

Shirley Bond
Minister of Jobs
Tourism and Skills Training
& Responsible for Labour

Naomi Yamamoto
Minister of State for Tourism
and Small Business

Destination BC is supporting the BC Jobs Plan through a focus on revenue performance measures. This plan at a glance provides the overview of our corporate goals, marketing measures and the key elements of the plan.

Our Corporate Strategy Framework

No organization is able to do everything. To make the highest and best use of our resources requires us to make good choices that provide clarity and focus to our organization and our industry, and bring the biggest return on investment. Our corporate strategy answers five questions:

- What is our winning aspiration?
- Where will we focus?
- How will we win?
- What capabilities must we have?
- What systems do we need?

As you read through our strategy, each of these five questions will be answered.

PLAN AT A GLANCE

WHAT IS OUR WINNING ASPIRATION?	WHERE WE WILL FOCUS	HOW WILL WE WIN?	WHAT CAPABILITIES MUST WE HAVE?	WHAT SYSTEMS DO WE NEED?
Fulfill dreams, connect peoples, refresh the human spirit. Become the most highly-recommended destination in North America.	Invest: Washington, California, China, Alberta Maintain: BC, Ontario, UK, Germany, Australia, Japan Affluent, Frequent Travelers Direct, Trade, OTA	Magnetic Brand Remarkable Experiences Marketing Network	Strategic leadership Digital / Data Marketing Partner Empowerment	People Technology Processes

GOALS FOR GROWTH
PEOPLE
Build a collaborative, insight-driven, results-focused team.
VISITORS
Secure the highest Net Promoter Score in North America.
VISITOR EXPENDITURES
Lead Canada in growth of overnight visitor expenditures.

MARKETING OBJECTIVES[1]

1. Achieve annual increases in visitor expenditures and volumes from our top ten markets.
2. Strengthen British Columbia's brand health and resonance.
3. Increase brand engagement and traveller advocacy.
4. Amplify and strengthen British Columbia's world reputation.
5. Achieve market leader status for travel trade relationships.

[1] Research is underway to establish baseline measures and targets for 2014. Performance will be reported annually by Destination BC.

INDUSTRY CONTEXT

Tourism is growing and is expected to continue to grow. It's becoming one of the largest and fastest growing economic sectors in the world. There is opportunity for further growth in the already strong tourism sector in BC.

According to the United Nations World Tourism Organization (UNWTO), international tourist receipts grew by 5% worldwide in 2013 (local currencies) and are forecasted to continue to increase by 5% a year from 2010 to 2030 to reach 1.8 billion by 2030[2]. With a ten-year positive outlook for international tourism arrivals, the UNWTO's forecast is for tourism to continue to be a strong, healthy industry globally over the next decade.

Over the past decade, Canada has steadily lost market share as the market has expanded with new choices and greater travel volumes from emerging source countries that have growing middle classes, such as China and India.

Canada's growth rate has room to improve. In 2013 it increased by 1.4% as we were being outpaced by other traditional and new emerging destinations, as well as the North America market, which saw a 7.8% increase in tourist receipts.

BC has performed better than the rest of Canada, but we are making changes to achieve our goals and ensure we continue to capitalize on the world's appetite for travel.

[2] Source: UNWTO, Tourism Highlights, 2014

CHANGE DRIVERS

We've identified three key drivers – Competition, Collaboration and Consumers — that highlight the changes we are making.

Competition

- New, well-funded competitors have emerged and our traditional competitors are increasing their marketing investments. Many traditional destinations are losing global share.
- BC's marketing needs renewed inspiration, emotional urgency and differentiation.
- We must renew focus on the USA, BC's largest export market.

Collaboration

- The BC tourism system has changed: our city/community DMOs and market-ready experience sectors are asking more of Destination BC to help with increasing tourism within their local economies.
- Funds within the BC tourism system can be better maximized for marketing power – less than 50% of Destination BC's funding is directly applied to consumer marketing.
- BC's tourism system can be better aligned with a stronger focus on working collaboratively to enhance destination development for all communities, businesses and stakeholders throughout BC.

Consumers

- Travel planning behaviour has changed dramatically, and expectations are rising.
- Marketing power is shifting to consumers.
- There are emerging gaps in destination visitor services through new, more heavily utilized channels.
- The experience travellers have while in a destination has increased in importance for driving visitation. Positive guest experiences are critical to garner word of mouth referrals and broaden awareness through social media.

OPPORTUNITIES

The following Opportunities have driven the direction of our corporate strategy:

- Global Growth
- High-Potential Segments
- Connectivity

Global Growth

Buoyed by a fast-growing middle class in emerging economies, international tourism revenue is expected to more than double over the next 20 years, with annual growth in the range of 5%. By 2020, nearly one in five people on the planet will have the means to travel abroad[3], which creates the opportunity for stable, sustainable growth and good jobs for BC.

We expect to generate strong performance from most of our key markets in the next three to five years.

- Implication: Destination BC will focus on the geographic markets with the highest incremental growth potential over the next three to five years.

High-Potential Segments

There is an opportunity to have a renewed focus on targeting our best customers. As the world changes, we need to hone our market intelligence to enable us to pinpoint high-potential travellers from our best geographic markets. Insight-driven consumer segmentations for geographic markets, demographics, travel behaviours and emotional motivations can be leveraged to deliver a higher return on investment for marketing efforts. Tools such as the Canadian Tourism Commission's Explorer Quotient (EQ) segmentation can assist to narrow our focus.

As the market continues to change, we will be nimble, continuing to investigate and identify segments with strong future potential.

- Implication: Destination BC must be relentlessly driven to uncover consumer insights and invest in traveller-centric marketing approaches to maximize tourism revenue across British Columbia.

Connectivity

People are constantly connected, and as they walk through life, they leave footprints of data. Much of travel planning now involves online research. This creates new opportunities to gather deep insight into travel

[3] Deloitte (2014): Passport to Growth. Original source: UNWTO World Tourism Organization (2013), Tourism Highlights, 2013 Edition.

motivations, planning behaviours, and decision-drivers. The ensuing reservoir of "big data" allows us to offer more personalized, relevant and compelling information to guide travel planning and real-time, in-market visitor services.

- Implication: Destination BC must be exceptional in data analytics and digitally savvy marketing to create interest in visiting British Columbia and optimize the lifetime value of a visitor (initial and repeat visitation).

About 70% of travellers will share their travel experiences with friends and family through social media. Word-of-mouth referrals and recommendations are the most powerful marketing tool in the travel industry.

- Implication: Destination BC and BC's tourism industry must fully engage travellers and leverage BC residents and tourism businesses as ambassadors to amplify positive visitor experiences, on-line engagement, and recommendations through social media. Funding of online engagement activities should be increased given the higher return on investment than more traditional direct marketing methods.

CHALLENGES

The following Challenges have informed our strategic direction:

- More Choices
- Savvy Consumers
- Changing Channels
- Access

More Choices

As one of the world's fastest growing economic sectors, tourism has become increasingly competitive. Traditional destinations are increasing their tourism marketing efforts, including Canada's and BC's key competitive destinations.

These destinations are also continuing to evolve and invest in their brand strategies, with robust and sophisticated long-term strategic plans that are consistently being monitored and adapted to changing market trends. All provinces (including BC) have recently launched or updated their destination brands, or are about to do so.

To add to the competition, new and emerging destinations, as well as newly-open countries like China, are now actively vying for their share of tourism revenue using persuasive strategies and engaging marketing plans. Technology and social media make it even easier for destinations to cost-effectively market their product. Because of this, potential travellers are more aware of the choices about where to visit, including new and exotic locations.

BC's brand is appealing and continues to generate high levels of interest, but needs a new sense of urgency. Our marketing must overcome this. In a value equation, the fundamental strategic choice for brands is low cost or strong differentiation.

- Implication: Destination BC must create a powerful and vividly differentiated destination brand that emphasizes our value proposition and embeds compelling motivations to visit BC now.

Savvy Consumers

Today's travellers want rich, personalized, authentic experiences. They're discerning and well informed. They have a desire for good value and a ready ability to compare choices from around the globe.

British Columbia is a premium travel destination. But relative to other places, it can be expensive to get here and expensive to be here. We have spectacular natural environments, a wide range of experiences, solid infrastructure, and a high level of customer service, but that doesn't make us unique.

To remain competitive, British Columbia must strengthen the marketing of its most relevant, compelling, differentiated experiences, e.g., authentic Aboriginal culture, to magnify awareness of British Columbia as a destination that offers exceptional value and meets the new expectations of travellers from diverse cultural and geographic backgrounds.

- Implication: Destination BC must remain in close consultation with communities and industry to enable strategic destination development and ensure close alignment of ongoing efforts.

Changing Channels

Consumers are becoming more online savvy. More and more, they're using online self-serve channels to research, plan and book travel.

Convenience, the ability to compare prices, and the comprehensive nature of online information available to the consumer has created a meteoric rise in consumer use of online travel agencies (e.g. Expedia, Agoda, Webjet), ratings services (e.g. Trip Advisor, DaoDao, Yelp) as well as price-shopping sites (e.g. Hotel.com, Trivago). Half of leisure travellers visit OTAs for inspiration when they are considering destination options and narrowing their choices. Globally, online travel agencies (OTAs) account for 37% of online bookings.

In the future, it's expected that online travel planning will continue to increase in many markets, and the OTAs and rating services will influence this change for both trip planning and purchase. This has profound impacts on more traditional ways of doing business.

- Implication: Destination BC must effectively leverage the power of OTAs and rating services as a key source of travel influence.

Access and Transportation

Air access and affordability is a critical component to the success of the tourism industry. Getting here can be challenging: air travel to Canada and British Columbia can be expensive compared with similar US destinations. Fortunately, progress has been made, such as streamlined visa applications and reduced fuel taxes.

Safe transportation around British Columbia is also important to ensuring visitors can explore all areas of the province. Internationally renowned airports, mountain highways, myriad ferry routes, float planes, rapid transit, and high-volume border crossings must all continue to safely serve our visitors.

- Implication: Destination BC must understand, and work collaboratively with other parts of government, communities, businesses, DMOs and stakeholders, to help address and mitigate access challenges that impact tourism development and marketing efforts.

For more information on Tourism in Canada and BC: Key Facts, see Appendix A.

Our winning aspiration is at the heart of all we will do to give BC a competitive edge to win, and has driven all of our strategic decisions. We believe in the impact tourism can have in people's lives and we believe our industry has what it takes to keep winning in the marketplace, creating connections with travellers and compelling them to choose and share BC.

We aspire to enrich life by fulfilling dreams, connecting peoples of the world and refreshing the human spirit.

By focussing on this, we will be the most highly recommended destination in North America.

For more information on the strategic framework used to create our strategy, see *Playing to Win* by Roger Martin and AJ Laffley.

One of the most important decisions we must make in our corporate strategy is where we will focus our energies and resources. We have outlined four areas of focus:

- Our Role
- Our Geographic Markets
- Target Consumer Segments
- Our Sales Channels

OUR ROLE

Going forward (and within our government mandate), we will focus on the role we are best positioned to fill.

In BC's tourism system today, there are over 100 cities and communities, six regions, numerous sector groups, plus the Canadian Tourism Commission all actively engaged in tourism marketing alongside Destination BC, and to a limited extent, destination development. We all share the goal of increasing tourism revenues and bringing in more travellers. We all have an important stake in this sector and we can all do better to coordinate our efforts.

Over the next three years, Destination BC will re-focus operations so that our primary role is marketing British Columbia. Simultaneously, working in consultation with other parts of government, communities, businesses, DMOs and stakeholders, we will provide strategic destination management oversight and work with our industry partners to increase the focus on destination development, which is critical for the long term prospects of the sector. We will collaborate with others to ensure the benefits of tourism growth are felt in the local economies of communities throughout BC.

Here's how we see our role, which will evolve through broad community and stakeholder consultation:

Strategic leadership in provincial destination management

- Provide long-term strategic advice to industry and other parts of government, and support the development of tourism destination development activities.
- Analyze industry data, share insights, and create open access to data across the industry.

- Monitor and respond to market dynamics and consumer trends, and champion the value of BC's tourism industry.

Primary operational role in demand generation

- At a provincial level, drive demand (to market the strengths of British Columbia to consumers and the travel trade).
- Build long-term brand equity in key markets, inspire consumers to actively consider BC, and connect consumers and travel trade with businesses.
- Provide consumer insights and shareable, scalable platforms and technologies that help BC businesses be more formidable competitors.

Enable destination development

- Work in collaboration with other parts of government, communities and industry to ensure destination development is strategically focused to meet our goals.
- Working in consultation, assist communities, DMOs, RDMOs and other service providers through funding, technologies, tools advice or authority to support them in developing our products and service experience, and ensure BC's experiences are more highly recommended. (Many of our partners have the expertise or local insights that best suit them to this role.)
- Enable partners by creating frameworks for strategic planning and engaging experts to support industry professional development.
- Support industry in providing highly valued destination trip planning information.

OUR GEOGRAPHIC MARKETS

When we looked at opportunities for growth in BC, we looked at both our traditional markets and new, emerging markets. For each market, we looked at the current importance, short- and long-term potential, as well as other market factors and considerations. Based on this evaluation, we prioritized geographic markets to determine where we will focus our marketing activity and funding to best invest for growth, maintain our strength, or respond to market requests and monitor market opportunities.

We are:

- Investing For Growth in Alberta, US (Washington, California) and China
- Maintaining Our Strength in BC, Ontario, UK, Germany, Australia and Japan
- Responding & Monitoring South Korea, Mexico and India

We'll update our targets for our top ten markets annually, and adjust them to reflect overall industry growth targets and economic and market conditions.

TOP TEN MARKETS	2012 ACTUAL		2015 TARGET (over 2014)	
	OVERNIGHT VISITORS (000s)	TOTAL REVENUE (000s)	OVERNIGHT VISITORS	TOTAL REVENUE
INVEST				
Alberta	2,151	$ 1,058,820	2.0%	4.5%
Washington State	1,208	$ 417,942	2.0%	4.5%
California	425	$ 284,032	2.0%	4.5%
China	155	$171,918	20.0%	23.0%
MAINTAIN				
British Columbia	10,468	$ 2,871,211	1.0%	3.5%
Ontario	563	$ 550,261	2.0%	4.5%
United Kingdom	194	$ 243,085	2.0%	4.5%
Germany	98	$ 138,597	2.0%	4.5%
Australia	138	$ 200,312	2.0%	4.5%
Japan	90	$ 116,716	2.0%	4.5%

For more information on our Market Priorities Evaluation, see Appendix B.
For more information on each of our Top Ten Markets, see Appendix C.

TARGET CONSUMER SEGMENTS

The global travel market has increased, but like every tourism organization, we simply don't have the resources to market to everyone. That's why we need to focus on our best potential customers. By developing a deep understanding of our target traveller, we can build marketing activities that inspire travel to, and around BC, and encourage visitors and residents to recommend the province to friends and family.

In addition to the standard variables of geographic markets and demographics, we need to understand and inspire the motivations, dreams and passions of our target consumers. That's why we are consistently improving our insights into, and understanding of, travellers' and consumers' behaviour, attitudes and emotional connection with BC.

Using the CTC's "Explorer Quotient" (EQ) segmentation model, consumer insights and analytics, we have narrowed our focus to three consumer EQ segments: Authentic Experiencers, Free Spirits, and Cultural Explorers. We have also identified ten inspiring and motivating travel experiences that have the most potential from our top ten markets.

We are:

- Focusing on the leisure travel segment (about 65% of travel spending in Canada), specifically affluent, frequent travellers.
- Building brand recognition and cultivating long-term relationships for key trip-motivating travel experiences: Touring & Exploring, City Stays, Outdoor Adventure, Skiing, Aboriginal Cultural Tourism, Cruise, Wine Touring, Golfing and Fishing.
- Building much greater capacity for gathering traveller insights through research and big data analytics across a host of consumer touch points, both along the path-to-purchase and while travellers are in-market.
- Developing deeper connections with all communities and geographic areas of our province so we can reflect the wide variety of traveller opportunities.

For more information on our Target Consumer Profiles, see Appendix D.
For more information on our Travel Experiences, see Appendix E.
For more information on the Path to Purchase, see Appendix F.

OUR SALES CHANNELS

Around the world, consumers are changing the way they engage with various sales channels. Like all marketers, we need to better reflect these shifts and stay nimble as we respond. Moving forward, we are focusing on four channels to sell BC to residents and the world – Online Travel Agencies and Rating Services, Travel Trade, Partnerships, as well as Consumer Direct in recognition of the significance of self-serve consumer purchases directly with businesses.

We are:

- Leveraging the power of OTAs and rating services as key ways to influence, inspire and book travel.
- Creating a compelling value proposition with international travel trade businesses and receptive tour operators.
- Maximizing current partnerships with CTC and PDMOs to gain greater voice in key global markets.
- Building new partnerships to extend our channel reach.
- Continuing to connect consumers directly to tourism businesses, or the channel of their choice, through consumer campaigns and marketing activities.

Partnerships

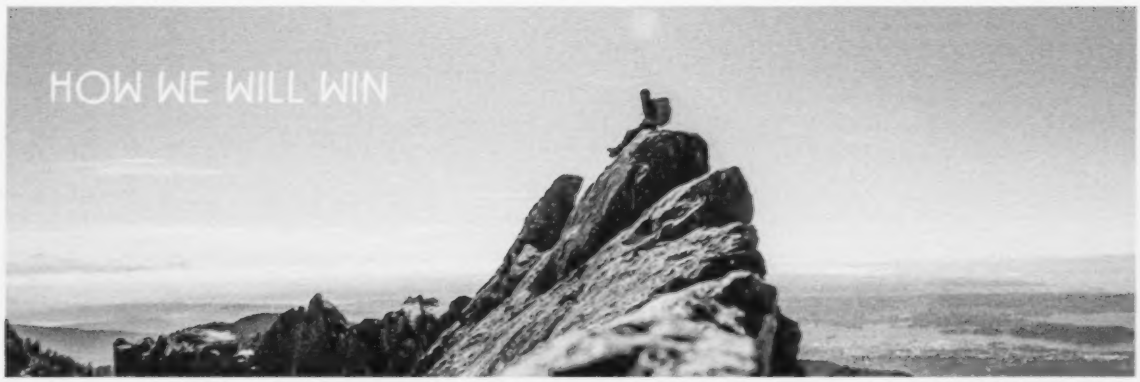
To extend our reach, relevance and influence, we are seeking out both traditional and non-traditional partners. We want to create a more powerful marketing network – one that is ready for the consumer and marketing forces that have already dramatically changed the landscape.

We'll look at traditional partners such as airports, airlines, and other destination marketing organizations across Canada. We'll approach non-traditional partners that have well-known international non-travel brands and complementary target audiences.

Working in partnership with BC's tourism industry, we'll also look at major events, festivals and sport hosting to encourage travel for "time-limited" experiences.

Partnership activities include:

- Supporting CTC's efforts in raising the awareness and demand for travel to Canada.
- Supporting the implementation of the Province's cross-ministry Air Access Strategy to encourage the federal government to liberalize and expand bilateral air transportation agreements and visa policies with a focus on Southeast Asia, Latin America and Gulf States.
- Supporting Vancouver Airport Authority's (YVR) Gateway Strategy to increase lift and solidify new air routes from key overseas markets to North and South America, building links into BC and the rest of Canada. Support all airports to enable the new growth.
- Working with DMOs, airport authorities, and airline partners to increase passenger loads during initial launch periods for new routes into British Columbia.
- Leveraging opportunities with the Provincial Government's International Trade & Investment Ministry to promote BC trade and tourism product in key markets such as China.
- Supporting the development and implementation of the Provincial Government sport hosting strategy.
- Supporting growth for cultural assets and Aboriginal tourism within BC.
- Exploring new non-traditional partner agreements to enhance our marketing impact.



There are many things we could be doing, and lots we'd like to do. However, a good strategic plan focuses on a few critical things that are most likely to guarantee success.

In our case, we're focusing on four strategic imperatives that we believe will help us win in the competitive marketplace. These imperatives will reflect our partnerships:

- Build a Magnetic Brand
- Foster Remarkable Experiences
- Enable Industry Through a Powerful Marketing Network
- Develop a Collaborative, Insight-Driven, Results-Focused Team

BUILD A MAGNETIC BRAND

Building a solid brand is essential to our success as a tourism destination, and is the fundamental building block from which all marketing communications and behaviour should flow.

Our brand serves as our competitive identity: it promises a unique kind of travel experience, and guides expectations of not only what travellers will see and do, but also how they will feel.

For over 30 years, our tourism destination brand – using the tagline[4], *Super, Natural British Columbia®* – has inspired millions of people to visit BC. It continues to be a highly regarded brand, and the envy of many destinations. In today's competitive climate, the brand needs to work even harder to differentiate BC and build greater emotional appeal amongst travellers. We need our brand to ignite the imaginations of our best potential visitors. We need to give people a reason to engage, and a sense of urgency to visit.

After a comprehensive research and review process, we learned that the brand tagline itself, *Super, Natural British Columbia,* continues to resonate strongly with travellers. Our new brand puts BC's true nature at its core, and truly injects deeper meaning and emotional resonance in the tagline, *Super, Natural British Columbia,* while continuing to build on its long-established equity.

[4] The brand is the totality of all that British Columbia means to visitors as a destination. The tagline is a phrase or sentence closely associated with a destination and helps to portray the brand.

Our New Brand

To experience British Columbia is to be transformed and renewed. Our promise is that BC's nature will bring out the best in you.

Our brand is built upon BC's true nature, which is vast, diverse, abundant, awe-inspiring and powerful. It draws inspiration from the rugged coastline, the rainforest's unstoppable exuberance, the haunting beauty of the desert, the mighty rivers, grassy plains, and massive mountain ranges.

We describe BC as the sea to sky province. From the Pacific to the Canadian Rockies, the province sweeps from zero to 15,000 feet. Sea to sky is the context for many of BC's tourism experiences.

At the core of our brand is the brand essence: wild at heart. This speaks to a truth about our target audience: while they may lead successful lives, there is a part within them that forever craves a connection to the wild. It is in the wild that they are reminded of what is real and what matters, and the true nature of beauty and freedom.

> Our brand reflects our true nature. BC is not afraid to do things her way, which speaks to BC's pioneering personality. Here, we carve our own paths.
>
> BC is strong: it is a strength born out of the power of our nature and its deep impact on everyone it touches. It is reflected through an unwavering confidence that speaks to being grounded and tuned into what's real and true.
>
> BC is free-spirited: it is authentic and true to itself. It carries an attitude that is not limited by the done thing, but rather carves its own path, welcoming others to come along for the journey and enjoy the ride.
>
> BC is adventurous: with its vast, accessible wilderness and breadth of experiences, BC is not afraid to be challenged and must be experienced, not witnessed, to be fully appreciated. When engaged in, BC is a place that will reward you and will change you.
>
> BC is open: BC embraces people with an open mind and an open heart. While it demands a level of respect, it is non-judgmental and accepting. It not only welcomes you to be yourself, it surrounds you in an environment that inspires it.
>
> BC is generous: this speaks to the warmth of BC's people, but also a land that is vast, diverse and plentiful. When nurtured and respected it has so much to offer, from an abundance of wildlife, to rich vegetation, to an ability to help put one's life back into perspective.

Nature is at our core.

Our new brand has nature at its core. Powerful nature influences the personality of BC. It defines our brand, because it is seen to define all of British Columbia – its geography, its history, its culture and its people. Travellers believe that British Columbians are positively shaped by the natural environment that they live in (making them friendly, balanced and more open-minded). BC is seen as a place where people are free to be themselves, and not worry about the done thing. Americans, in particular, seem to want a piece of this.

Our province stretches from the Pacific to the Rockies (and everything in between): this sets it apart and makes BC's nature different. It's not just nature: our wilderness gives BC a certain authenticity that people feel is lacking elsewhere.

In research, travellers spoke about why authentic nature matters to them. Their feelings and experiences were highly personal, but for each one, those feelings were heartfelt. Some spoke of finding truth and reality in nature: an opportunity to regain perspective and rediscover their better selves. For some, it inspires creativity, for others it's energizing. Some experience something spiritual, others find intense introspection.

Travellers are drawn to the sheer vastness of BC's nature, its abundance and diversity. While not all travellers plan to get out and immerse themselves in the wilderness, the fact that it's there adds great value.

How will we build this magnetic brand?

We will:

- Develop a compelling, differentiated brand story that inspires travellers to visit.
- Motivate industry to amplify our brand's voice and marketing impact.
- Invest more in provincial brand marketing and industry co-operative marketing.
- Enable industry to leverage the brand.
- Enhance our digital and data marketing expertise.

Over time, our brand will be strengthened through every touch point a traveller encounters and every communication he receives or shares. This may include a hotel experience, website, chat at a Visitor Centre, magazine article, rating on Trip Advisor, comment from a travel trade partner, or posts shared by a visitor. Everything contributes to the overall impression of British Columbia's brand.

For more information on Iconic Experiences, see Appendix G.
For more information on Communicating the Brand, see Appendix H.
For more information on the Brand Development Process, see Appendix I.

FOSTER REMARKABLE EXPERIENCES

When visitors have remarkable experiences, they share their travel stories with friends, family colleagues and thousands of other people they reach through their social networks. This is why a central part of our strategy focuses on enhancing the remarkable experiences we can offer our visitors.

As consumer preferences and interests change, we know that British Columbia needs to continue to evolve its offerings to remain fresh and innovative, offer quality and value for money against other destinations and meet the expectations of our priority and emerging markets.

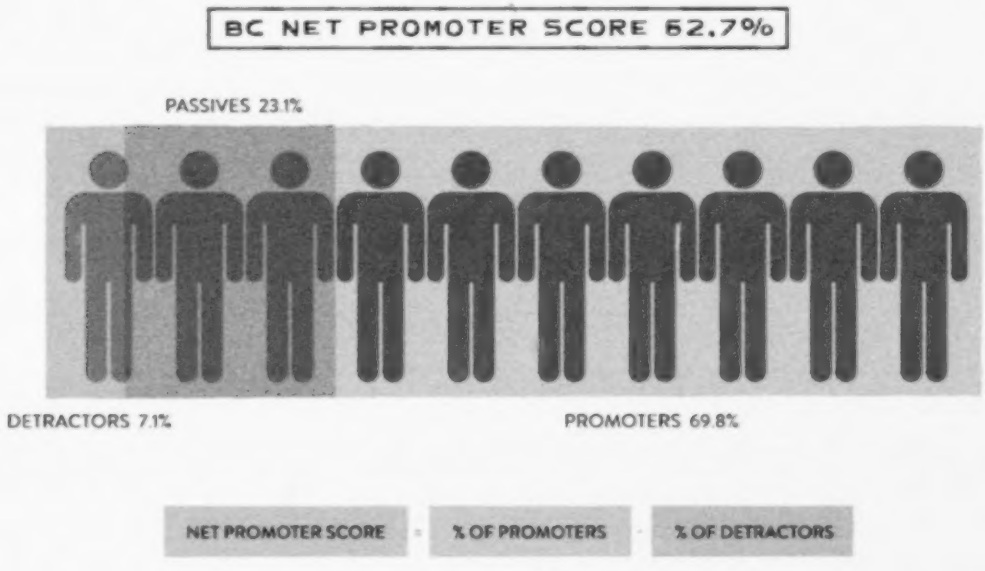
To ensure British Columbia is offering globally competitive experiences, we are:

- Collaborating with the other parts of government, communities, businesses, DMOs, sectors, and stakeholders to address the need for tourism destination development strategies that enhance BC as a destination of choice.
- Enabling tourism businesses to elevate their value proposition and deliver remarkable guest experiences by offering enhanced professional development resources, and launching a new destination development program (Remarkable Experiences Program).
- Enhancing our Visitor Services strategy by focusing on providing remarkable information services where and when visitors want it – anywhere, anytime.

NET PROMOTER SCORE

For the tourism industry, word of mouth advocacy is critical. One way to monitor word-of-mouth advocacy is through the Net Promoter Score®, which measures the number of promoters and detractors a destination has[5]. It creates a simple and clear view of a consumer's likelihood to recommend and refer.

By asking one simple question, "On a scale of 0 - 10, how likely are you to recommend British Columbia as a travel destination to a friend, family member or colleague?" we're able to determine our Net Promoter Score. Visitors who respond 9 or 10 are considered "promoters", those who respond 0 - 6 are "detractors", while the remainder are "passives". The Net Promoter Score is the difference between the percentage of respondents who are "promoters" and "detractors".



For more information on Destination Development, see Appendix J.
For more information on the Remarkable Experiences Program, see Appendix K.
For more information on the Visitor Services Strategy, see Appendix L.

[5] Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld.

ENABLE INDUSTRY THROUGH A POWERFUL MARKETING NETWORK

Our industry is made up of incredibly diverse businesses and dedicated people. Most of our industry is made up of small businesses—in 2013, 92.3% of businesses had under 50 employees, while 75.7% had fewer than 20.[6] From independent adventure guides to major hotels, we must all be exceptional competitors. There will never be enough money to outspend our competitors, so we need to outsmart them. This requires a rethink of how we can work together to win.

We recognize the power of strategic alignment with partners and we have a good tourism network in BC, but we need to continue to work together to make it better. Through our new corporate strategy, we have the opportunity to create a new model, one that powers up our whole tourism system with advanced marketing capabilities, making all of us stronger, more formidable competitors.

This new model can build on the strengths of each partner, fostering trust and excellence in highly differentiated, highly valued, interdependent roles. This will also minimize unnecessary role overlaps and fill critical gaps so our limited resources work harder. We envision a model that shares the wealth of skills, tools and resources across our industry to create a powerful marketing network.

We will work with other parts of government, communities, businesses, DMOs, sectors and stakeholders to customize our strategy to the needs of each geographic area within BC and smoothly phase in the transition to our new programs.

Here's how we are enabling industry:

- Fostering collaboration and brand alignment with industry partners through a new Co-operative Marketing Program.
- Investing in marketing tools and technologies that are shareable and scalable.
- Sharing consumer insights, business intelligence, content and intellectual assets.
- Supporting industry education and professional development.
- Fostering public support for our industry by championing the value of tourism.

For more information on the Co-operative Marketing Program, see Appendix M.
For more information on the Tourism System, see Appendix N.

[6] Source: BC Stats

BUILD A COLLABORATIVE, INSIGHT-DRIVEN, RESULTS-FOCUSED TEAM

We know that success depends on empowering smart people to do great things. At Destination BC, we have diverse and dedicated people who have a passion for this industry and care about the success of individual businesses. In order to articulate their workplace vision, Destination BC staff crafted this team aspiration:

> *We are bold. We are visionaries. We ignite creative collaboration and inspire innovation. We welcome challenges and seize new opportunities. We bring out the best in one another and celebrate our successes, together. We are all empowered.*
>
> *We are Destination British Columbia.*

Working hard for you, we are building a team that:

- Inspires a customer-centric culture driven by traveller insights.
- Promotes continuous learning through leadership and professional development.
- Supports accountability and a focus on results through performance planning.
- Builds spirit through a collaborative work environment that supports teamwork, community, wellness, and recognition.

We know that organizations with highly engaged employees have higher rates of productivity and retention, and provide better services to stakeholders.

We are working hard to rally our new organization around our new strategic direction.

This includes:

- Developing a Destination BC human resources strategy, including talent development, recruitment, retention, and performance management.
- Ensuring the organizational structure and processes enable the corporate strategy.
- Developing and executing consistent and fair employee transition plans for changed, new and evolving lines of business.

We are inspired to do our best work for you, every day.

For more information on Destination BC's Communities of Practice, see Appendix O.

CAPABILITIES

We are developing the critical capabilities required to successfully implement our corporate strategy:

- Strategic Leadership
  - We must demonstrate clear and innovative strategies for growth and embark on bold initiatives that create better results for industry.
  - Our leaders must model the way to create a collaborative, insight-driven, and results-focused team of employees.
  - Our organization must continue to strengthen and develop its leadership capacity.

- Digital and Data-savvy Marketing
  - Our brand must be amplified through a highly effective content strategy that connects potential travellers with iconic, inspirational experiences and information for detailed trip planning before and during their travels.
  - We need to be at the forefront of utilizing and sharing insights and intelligence to create relevance in our consumer marketing, travel trade and destination development activities. We will become highly conversant with "big data".
  - We will optimize the Lifetime Value of Visitors.

- Partner Empowerment
  - We must educate and enable our industry to improve the delivery of experiences.
  - Our travel trade activities must exemplify excellent product knowledge and marketing.
  - Relationships and processes with our partners must reflect common goals and differentiated roles.

SYSTEMS

All good plans, all great organizations, and all collaborative industries need management systems that enable capabilities and support strategic choices. These systems support the strategic decisions we are making:

- People
  - Strengthen leadership skills and develop employees at all levels of the organization.
  - Enable talent recruitment and retention through a strong value proposition.
  - Implement an effective performance management system to ensure we work to our potential.

- Technology
  - Scalable systems and support networks are required to enable industry to harness and utilize technology for business improvement.
  - We must commit to developing shareable applications, intelligence, marketing tools and platforms, and content.

- Processes:
  - Effective structures and relationships are needed to ensure ongoing Partner engagement and influence.
  - We need to ensure industry and corporate performance measures are in place and being monitored.

OUR MARKETING PLAN

We've created a fresh marketing plan to deliver on the goals of our corporate strategy: have the highest revenue and share growth in Canada, and secure the highest Net Promoter Score in North America.

Today, effective marketing must encompass a productive mix of media channels, whether that media has been paid for, earned, or is part of the Destination BC owned mix. Through consumer-direct, social media, travel trade, travel media and content, we'll position British Columbia to gain a competitive edge. We're focused on excelling in the marketplace and meeting objectives in an integrated, targeted and results-driven manner.

This includes:

- Creating and executing compelling consumer direct campaigns that drive emotional urgency and the decision to visit BC.
- Increasing British Columbia's visibility in digital media, to encourage and amplify conversation around travel in British Columbia on social channels.
- Collecting, creating and curating exceptional content that engages travellers and encourages visitors to share their experiences.
- Building loyal travel trade relationships and securing a preferred partnership status.
- Working with key partners (e.g. CTC, PDMOs, RDMOs, CDMOs) to expand the portfolio of products offered by the travel trade and elevate Canada's market share in this channel.
- Strengthening relationships with travel media to build brand equity and impact for British Columbia and sharpen message focus and publication interest in earned media.

CONSUMER DIRECT

Today, marketers have an almost unlimited choice of traditional and new advertising activities to choose from, but few have unlimited budgets. At the same time, consumers are inundated with marketing messages, yet are easier than ever to connect with through more cost-effective channels. This is the reality of a connected world.

Our experience with marketing has taught us that our consumer-direct activities must work harder than ever before. We are making choices to align with our core marketing philosophies:

- Focus: We are choosing activities that are bigger, better and more focused on core markets and travellers. This means fewer, more strategic and impactful activities, with better repetition, reach, relevance and, ultimately, more referrals to tourism businesses.

- Constancy: While it makes sense to undertake most marketing activity during those times of the year that are considered "peak planning periods," having a constant, consistent and pervasive presence allows us to capitalize on the moment when a traveller's desire to travel meets his or her opportunity to travel.

- Relevancy and personalization: Some marketing activities are broad based, and have the ability to reach large audiences, while others, such as email marketing and behavioural targeting, allow us to introduce travellers to BC vacation ideas and experiences that match their unique characteristics, needs and travel behaviours. Typically digital in nature, these activities are cost-effective and have excellent reach.

- Innovation: We are seeking creative partnerships and activities, through both traditional and digital channels, to reach travellers in new and compelling ways.

- Integration: Knowing that the whole is greater than the sum of its parts, we believe in the importance of weaving together activities in ways that create synergy, and that leverage and amplify their impact.

Taken together, our marketing philosophies are informing choices that drive the awareness and consideration of BC as a preferred destination and convert it to intent to travel to and around BC, with the purchase of a British Columbia vacation.

Specifically, we are:

- Profiling iconic experiences to trigger a strong emotional desire to travel to BC.
- Using traditional and digital marketing initiatives to introduce and elevate the brand in ways that motivate travellers at a deeper level, compelling them to act now.

- Dominating relevant OTAs and travel rating services (primarily TripAdvisor) to intercept travellers seeking destination experiences similar to what BC has to offer.
- Strengthening acquisition, consideration and relevance through behavioural targeting.
- Deploying targeted promotional campaigns to high potential consumers. Partnerships with tour operators, destinations, the CTC or non-traditional partners will be used when appropriate.
- Connecting travellers to highly inspirational travel information and tools on HelloBC.com.
- Leveraging existing Destination BC and consumer-generated content from and throughout Destination BC's social channels.
- Increasing acquisition and use of video content to inspire consumers.
- Enabling industry marketing co-op partnership campaigns and activities through partnering in the new Co-op Marketing Program.

SOCIAL MEDIA

Word-of-mouth referrals and recommendations are the most powerful marketing tool in the travel industry – and social media is word-of-mouth on steroids. By listening and responding to social media, conducting targeted outreach and building a community of passionate BC advocates, we can amplify the remarkable vacation experiences in BC.

Social media also provides an incredible opportunity to provide real-time, personalized visitor services to consumers at all stages of the travel planning cycle, on the channel of their choice, and is a powerful tool for corporate communications and stakeholder relations.

Our plan is to utilize the power of social media to increase brand engagement and traveller advocacy, and amplify and strengthen British Columbia's world reputation.

This includes:

- Connecting with visitors at all stages of the travel planning cycle to help create new BC advocates.
- Strategically growing social media followers in key markets through the social media channels that resonate.
- Encouraging sharing of BC experiences through use of the hashtag #exploreBC and amplifying these experiences to encourage further/new visitation.
- Engaging the BC tourism network to help provide real-time, personalized visitor services, on the visitor's channel of choice.
- Leveraging BC residents and tourism businesses as ambassadors to amplify positive visitor recommendations through social media.
- Promoting positive industry experiences as identified through the Remarkable Experiences Program.
- Training and educating Destination BC staff and BC industry stakeholders to ensure that social media is at the core of all of our outreach efforts, to ensure we are experts at implementing effective social media best practices.

- Establishing a framework for Destination BC and industry on the value of social media, with the goal of assisting with ROI measurement in order to drive better marketing.

CONTENT

Authentic, relevant and motivating content is one of Destination BC's primary assets for promoting BC, and we will increasingly rely upon content in order to promote awareness and increase brand engagement.

With consumers increasingly inundated by information and weary of being "marketed to," destinations must focus their content strategies on creating, curating and delivering high-quality, meaningful and immersive content that people truly *want* to engage with and share. Fortunately, our destination is brimming with evocative stories, providing us with tremendous opportunity to set our brand apart and fuel dynamic relationships with consumers through storytelling and content marketing on a diversity of platforms.

The key to maximizing our relationship with today's "hyper-connected" consumer lies with the delivery of customized and contextually relevant content. This is particularly important as mobile platforms steadily gain prominence and sophistication. Destination BC will develop a multi-platform strategy, leveraging behavioural targeting and big data, to create a highly personalized pre-trip planning and in-destination experience.

We are also in an opportune position to harness BC's content network by collaborating with influencers, industry and both traditional and non-traditional partners to contribute to the BC content ecosystem. We will curate and co-create compelling content that will engage travellers in relevant marketing activities, create unique and original content that can be leveraged by both industry and our partners, and enable our provincial network to collectively maximize our opportunities.

We are:

- Developing a converged paid, owned and earned content strategy that amplifies the impact and value of each type of media channel.
- Making content marketing and brand storytelling central components of our content strategy, to fuel consumer trust, loyalty and advocacy.
- Complementing and strengthening our branded content through curation and collaborative co-creation with key influencers, industry, and both traditional and non-traditional partners.
- Becoming increasingly adept at leveraging big data and behavioural targeting to provide highly personalized and contextually relevant content, with escalating emphasis on mobile delivery.
- Applying robust analytics and social listening to gain deep insights into audience engagement and to inform future content planning and creation.
- Facilitating the sharing and provision of tools, resources and insights with our industry that enables us to collectively work better with content and maximize opportunities.
- Refreshing our content asset base consistent with the brand.

- Engaging Destination BC's Content Strategy Community of Practice to accumulate knowledge and insight that makes us thought leaders on content strategy.

TRAVEL TRADE

The travel trade continues to play an integral role in the tourism system, particularly in overseas markets where a trip to British Columbia may be a more complex purchase. Additionally, international consumer protection laws favour travellers who book their trips through tour operators and travel agencies. In many countries, the historical lines of distinction between trade and consumer direct channels are blurring, with tour operators increasingly offering consumers the opportunity to plan and book via their own online channels.

We will become a market leader in travel trade relationships, and become known for innovative OTA marketing.

This includes:

- Gaining greater exposure of tourism experiences, products and itineraries through the travel trade.
- Increasing the tourism product offered through the travel trade, providing exciting, interesting and experiential vacation options for consumers.
- Attaining exceptional service ratings by key tour operators.
- Creating a stronger impact at travel marketplaces through a Team BC or Team Canada approach at key tradeshows in our key markets.
- Enhancing destination and product education to receptive tour operators (RTOs), tour operators, and travel agents on BC's winning propositions and variety of product.
- Highlighting iconic experiences (both rural and urban) that align with the brand.
- Gaining greater exposure in dominant OTAs and rating services (e.g. Expedia, Trivago, Webjet, Travelocity, DaoDao, Agoda, Booking.com, etc).
- Working with host cities to increase development and promotion of pre/post itineraries for the Cruise, and Meetings, Conventions and Incentive Travel (MCIT) sectors. Develop joint strategies for hosting major events and festivals.
- Creating innovative co-op marketing with Key Accounts consistent with Destination BC's brand elements.
- Creating and leveraging partnerships with CTC, other PDMOs, BC DMOs, airport authorities and airline partners to promote BC.
- Working with BC Trade & Investment to explore opportunities for joint promotions and exposure in Asia.

TRAVEL MEDIA

Travel media relations activities provide a cost-effective, highly credible way to increase awareness by generating positive unpaid editorial coverage (print, online and broadcast media, freelance writers and social influencers). We will build destination awareness in key markets by generating unpaid media coverage featuring British Columbia as a four-season travel destination.

This includes:

- Deepening relationships with media using a key account approach, focused on top ten markets and key iconic experiences (both rural and urban) that align with the brand.
- Entrenching relationships and creating opportunities for BC industry partners through in-market events and media calls.
- Working with Team BC to educate and excite influential travel media, both traditional and social, through stellar content and storytelling ideas, media marketplaces (GoMedia, Canada Media Marketplace), press trips, and select media events.
- Identifying and inviting high potential media on press visits to BC.
- Developing tools and content for third party use, aligned to the revitalized brand and content strategy. Collecting, curating and creating storytelling content.
- Expanding efforts with online media, including social media.
- Supporting BC industry partners through the Visiting Journalist Program.
- Enabling British Columbia residents to tell our story.

For more information on the Marketing Calendar, see Appendix P.
For more information on Working with Destination BC Marketing, see Appendix Q.

So how will we know if what we are doing is working? We choose the best industry KPIs and corporate measures, and we diligently maintain them. In 2013, our Tourism Marketing Committee formed a Sub-Committee to expressly focus on developing the right industry KPIs and corporate measures.

INDUSTRY KPIs

The Tourism Marketing Committee recommended the following measures, which are reported in Destination BC's Value of Tourism publication:

- Real Gross Domestic Product (GDP)
- Tourism employment
- Growth in overnight visitor volume
- Growth in overnight visitor expenditure

In addition, the Tourism Marketing Committee recommended that Destination BC measure and report the following new industry KPIs:

- Market share vs the rest of Canada (for key markets)
- Market share vs key competitors in key markets[7]
- Serious intent to visit BC from key North American markets (Active Consideration)
- Net promoter score
- Aggregated visitor ratings (selected social media channels)

Destination BC will develop tools to track and report these new industry KPIs to monitor the progress of the entire tourism industry within BC. It is only through improving these measures together that we can win together.

[7] Key competitors will vary by market.

CORPORATE MEASURES

We identified the following corporate measures to track and monitor the progress of Destination BC. But we want to do more than just monitor. We'll be relentless in our pursuit to make significant increases in all five metrics. Research is underway to establish 2014 baseline measures and to develop 2017 targets.

	CORPORATE MEASURES
People	Employee Engagement (mean)
	Stakeholder Satisfaction (mean)
Visitors	Net Promoter Score
	Active Consideration
Revenue	Growth of overnight visitor expenditures

MARKETING MEASURES

Across all our marketing activities, we aim to improve the critical marketing objectives. Research is underway to establish 2014 baseline measures and to develop 2017 targets for these marketing objectives.

1. Achieve annual increases in visitor expenditures and volumes from our top ten markets.
2. Amplify and strengthen British Columbia's world reputation.
3. Increase brand engagement and traveller advocacy.
4. Strengthen British Columbia's brand health and resonance.
5. Achieve market leader status for travel trade relationships.

APPENDICES

APPENDIX A: KEY FACTS

TOURISM IN CANADA: KEY FACTS

How is tourism doing in Canada? Here are a few quick facts from the Canadian Tourism Commission and Statistics Canada:

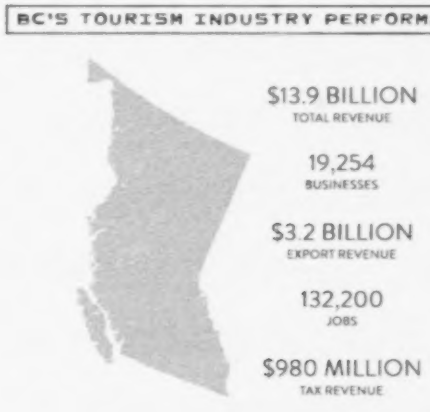
- Tourism in Canada is a $16.4 billion export sector with 618,300 jobs in the industry. BC has a higher share of tourism jobs at 18% than of Canada's population (13%).
- Canada received 16.6 million international overnight visitors in 2013, up 1.5% over 2012. Spending by visitors to Canada increased 2.3%, as they stayed longer and spent more per trip.
- Although 15.6% of all international travel originated from CTC's key overseas markets, spending by these visitors accounted for nearly 30% of total international spending.

TOURISM IN BC: KEY FACTS

How is tourism doing in BC? Here are a few quick facts (data is updated periodically; recent data can be found on the Research/Industry Performance page of DestinationBC.ca):

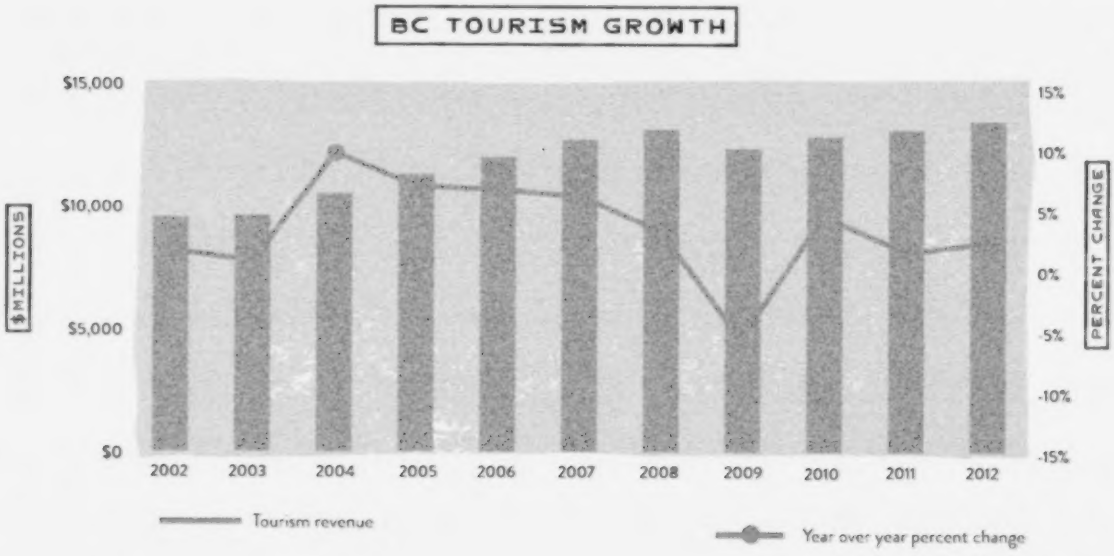
BC's Tourism Industry Performance

- The tourism industry generated $13.9 billion in revenue in 2013. Tourism is a large industry, supporting 132,200 jobs in 19,254 businesses around BC.
- In 2012, employment in the tourism sector rose for the first time since 2008, and 2013 saw a further 3.0% increase over 2012.



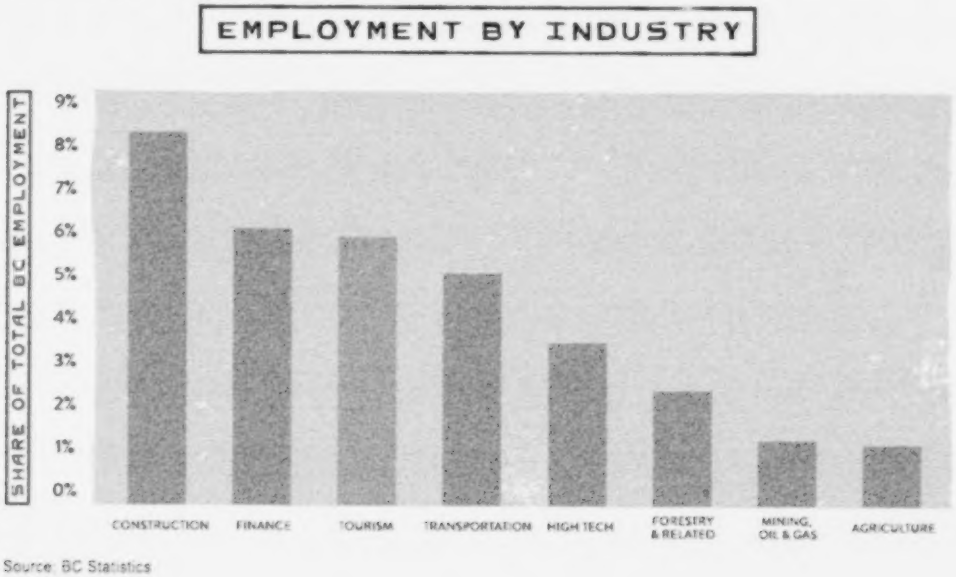
Source: BC Statistics

- The tourism industry is a large economic force for BC, generating a direct contribution to British Columbia's gross domestic product (GDP) of $7.3 billion annually (2007 constant dollars).



Source: BC Stats and Destination BC, Value of Tourism 2012

- In terms of employment, tourism is BC's third largest industry.



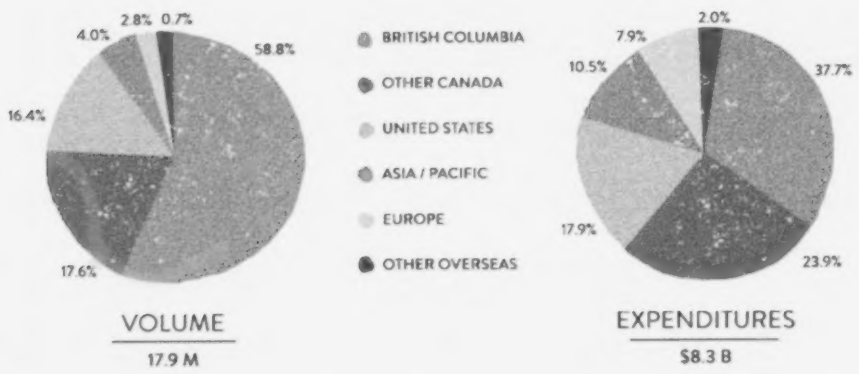
Source: BC Statistics

- As well as being the source of 132,200 jobs in the tourism sector, visitor spending creates many jobs in other sectors of the economy because tourism businesses source a large proportion of their inputs from other British Columbian firms, thus an increase in sales by the tourism sector has a bigger indirect impact than a comparable increase in sales by other sectors.

Overall Visitor Volume and Expenditures

- There were 17.9 million overnight visitors in British Columbia in 2012.
- Over half of the visitors (58.5%) were BC residents. Visitors from other parts of Canada accounted for 17.6% of all visits, while international visitors accounted for the remaining 23.9% of visitor volume.
- While BC and Canadian visitors represent significant volume, international visitors accounted for a higher proportion of the visitor expenditures at 38.4%. British Columbia residents accounted for 37.7% and Canadian residents accounted for 23.9% of visitor expenditures.
- With the granting of Approved Destination Status (ADS) in June 2010, overnight arrivals from China to BC gained significant momentum, expanding 20.0% in 2011 and a further 19.1%% in 2012 to 155,000 trips (a 43% increase since 2010).

OVERALL VISITOR VOLUME AND EXPENDITURES BY MARKET ORIGIN (2012)

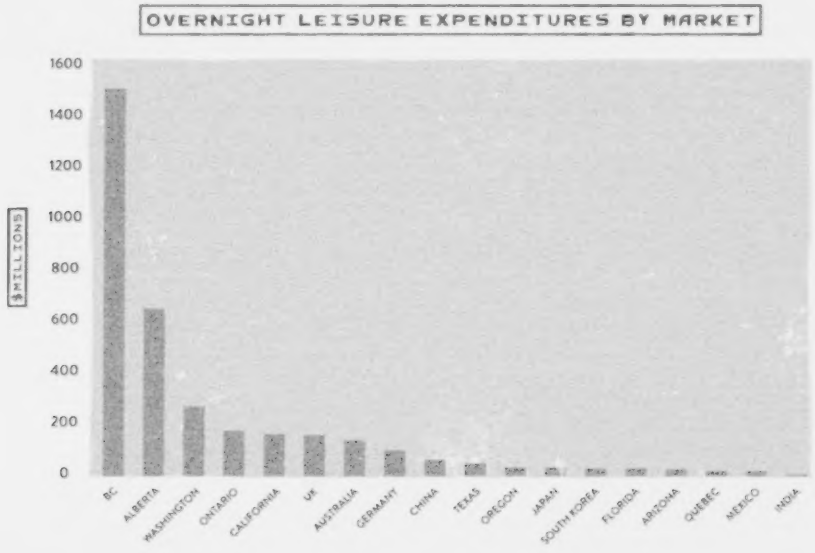


Source: Destination BC, Value of Tourism 2012

APPENDIX B: MARKET PRIORITIES EVALUATION

We finalized our market priorities through a rigorous data-driven process.

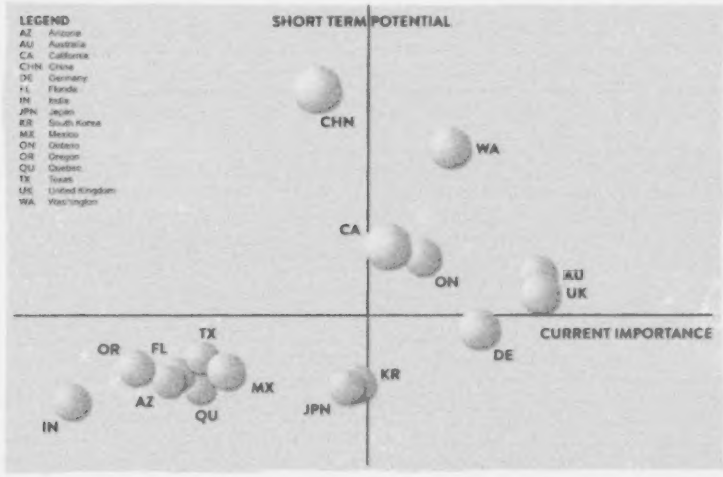
We started by reviewing the current expenditures of our markets, with BC and Alberta rising to the top as our most significant markets. We also analysed the trip purpose by market, looking at our ability to influence the visitor volume and spend in leisure markets.



We then looked at both the long- and short-term potential of these markets, taking into consideration factors such as economic health, exchange rates, demography, access, market share, barriers to growth, average per trip expenditure, lifetime value, seasonality, regional dispersion once in BC, CTC activities, and the marketing role of Destination BC relative to other partnerships and collaborative relationships.

(Note: Due to their size compared to other markets, BC and Alberta have been removed from the following chart.)

LONG & SHORT TERM MARKET POTENTIAL



By balancing the long- and short-term potential with the other market factors, we identified our top ten markets. The investment strategy for each of the top ten markets varies based on the ability to maximize revenues for all of BC.

- Invest for Growth in Alberta, US (Washington, California) and China
    - We will invest in these high-potential markets to inspire new and repeat travel to BC and increase our market share.

- Maintain our Strength in BC, Ontario, UK, Germany, Australia and Japan
    - We will maintain our investment in these traditional markets to ensure BC continues to be a travel destination of choice.

- Respond & Monitor South Korea, Mexico and India
    - We will support the CTC in these markets and watch for changes that indicate new market strategies and investments are warranted.

APPENDIX C: MARKET BY MARKET OVERVIEW

This section provides more information for each of our "Top Ten" Invest and Maintain Markets: Alberta, Washington, California, China, BC, Ontario, UK, Germany, Australia and Japan.

(Note: South Korea, Mexico and India continue to be important markets for British Columbia. Through partnership with the CTC, we will continue to work with travel media to increase awareness and travel trade to increase product in the market. We will however, support the CTC's lead in these activities. Other markets will continue to be monitored for changes.)

INVEST FOR GROWTH

ALBERTA

After British Columbia itself, Alberta represents BC's largest source of visitors, sending approximately 2.2 million overnight visitors who spend an estimated $1.06 million annually. This market is considered high potential due to its proximity and easy access to BC, economic health and population growth, familiarity with BC, and the seasonal and geographic dispersion of its visitors to and throughout BC.

Alberta is home to 4 million residents, of which just under half live within 2.5 hours from the BC border. Typically travelling by car, 97% have been to BC before, making Alberta an excellent source of travellers seeking getaways, longer summer vacations and ski vacations, and enjoying the wide variety of activities BC has to offer, including touring, wine vacations, hiking and other outdoor pursuits. BC appeals to a broad cross section of Alberta residents and potential exists to increase shoulder season traffic.

Albertans have a strong sense of the main appeals of travelling to BC (mountains, ocean, scenery) and consider BC as having hot and sunny weather, which offers us a competitive angle. However, BC is viewed as a premium destination, which is the main barrier to travel. This makes it important to offer remarkable experiences that offer a compelling value proposition.

As BC is already a popular destination for Albertans, our challenge is to maintain market share and grow visitation and spend by continuing to introduce Albertans to new and interesting BC vacation experiences, and enticing them with attractive vacation offers.

WASHINGTON

Washington State is BC's biggest US market, with 41% of all American visitors to BC. 1.2 million visitors come to BC on overnight trips, and spend $418 million in visitor expenditures annually. This market is considered high potential due to its proximity, familiarity and affinity for travel to BC. The lifetime value of Washington residents enhances the market potential.

Washington State is home to 7 million residents, just over half of which live within 2.5 hours drive time from the Canada/USA border. Typically travelling to southern BC by car, 82% have been to BC before, making it an excellent source of travellers seeking quick getaways throughout the year, particularly for City Stays and Skiing. Potential exists to increase shoulder season visitation and greater visitation into other parts of the province beyond Vancouver, Victoria and Whistler.

The Washington market has favourable perceptions of BC and a strong desire and likelihood to travel to BC. Lifestyle pursuits are similar to those in BC given similar geography and climate, including healthy, active, outdoor living.

Our challenge in the Washington market is to overcome border-crossing barriers (i.e. line-ups, passports) and beat out the other competitors in the market, including Portland/Oregon and California. With the strengthening of the US dollar relative to the Canadian dollar, our role is to enable industry, cities, communities and regions to motivate travellers to visit BC now.

CALIFORNIA

California represents BC's second largest US market at 14% of all American visitors to BC. This equates to 425,000 visitors on overnight trips and $284 million in annual visitor expenditures.

California is home to 38 million residents, 25 million of whom live in the San Francisco and Los Angeles areas. Air access from these two markets is excellent, although most consumers are not familiar with the ease and speed of getting to BC by air.

This market is considered high potential with our target consumers because of its proximity, affinity for BC travel experiences, high yield travellers, and the existing strong awareness of BC (98%) as a leisure travel destination.

This market already represents a high incidence of repeat travel to BC (52%), yet research indicates there is significant potential in this market. Of the approximately 2 million Californians with the desire and means to travel to BC, approximately 75% have yet to come to BC. The Hispanic community (representing 38% of the population) may also represent untapped potential.

Like Washington, lifestyle pursuits – particularly in the San Francisco Bay area – are similar to those in BC: healthy, active, outdoor living and a love of food and wine. Target travellers in this market are savvy, affluent travellers, interested in City Stays, Outdoor Adventure and Skiing. Travel ranges from getaways of 1-3 days to trips of up to two weeks.

Our role in California is to inspire initial visitation, while also giving repeat visitors a reason to return.

CHINA

China represents British Columbia's second largest international market, after the USA, with 155,000 visitors, moving up two spots in 2013 compared to 2012. Nearly 60% of China's direct custom entries to Canada visited BC.

With very healthy air access and continual annual visitation growth of over 19%, China remains a very important invest market for British Columbia. Over 45 million outbound departures from China occurred in 2012 with predictions for continued growth both on worldwide outbound departures and visitation to British Columbia. Top competitors for the Chinese visitor in the long-haul outbound travel market are the US, the UK, France, Germany, Australia and New Zealand.

BC is well positioned for continued growth from this market due to the established CTC and Destination BC representation in the market, strong relationships with key travel trade offering BC itineraries, and a wealth of BC partners active in China.

Our role in China is to continue to maximize our partnership and alignment with the CTC to increase interest in BC through the travel trade. In collaboration with the CTC, other provincial DMOs and the airline industry, we will also be exploring ways in which to collectively expand our footprint and impact in the Chinese market.

MAINTAIN OUR STRENGTH

BRITISH COLUMBIA

Not surprisingly, British Columbians represent BC's largest source of travellers, with over 10.4 million overnight leisure/Visiting Friends and Relatives (VFR) visitors, spending an estimated $2.8 billion annually.

Given the familiarity that BC residents have with their own province, our role is to work with tourism communities and businesses, RDMOs, CDMOS and sectors to introduce residents to remarkable new travel experiences. Great vacation offers and festivals and events can encourage bookings aimed at filling shoulder season capacity and inspire residents to explore all parts of the province. An opportunity also exists to encourage new BC residents, who have moved here from other parts of the world, to learn more about their new home by exploring their own backyard.

As a tourism marketing network, we must continue to encourage residents to explore BC and become advocates to encourage others to travel to BC. BC residents love where they live and what it has to offer as a vacation destination, and are proud to share it with the world.

ONTARIO

Ontario represents BC's third largest market of Canadian travellers, sending 563,000 leisure travellers to BC each year, representing $550 million in visitor expenditures annually.

Ontario is home to over 13.5 million Canadians, many of who have family and friends living in BC. This is a strong motivator of travel, accounting for over 60% of all leisure visits to BC. It also impacts spending per trip, as many Ontarians opt to stay with family and friends rather than in paid accommodation. We can work to overcome this by encouraging Touring & Exploring vacations, which move travellers around the province.

Of course, this market has high awareness of BC as an attractive vacation destination and a high incidence of repeat travel (52%). Travellers from Ontario interested in a leisure vacation in BC are primarily inspired and motivated by City Stays, Outdoor Adventure, and Skiing vacations, with the majority visiting the Lower Mainland, Whistler and Vancouver Island (particularly Victoria). Ski has provided an excellent means to generate traffic into BC's interior.

Because travel to BC is overwhelmingly by air, average trip length is 5 to 14 days. With the cost and time required for travel to BC, our role is to inspire interest and create a strong value proposition that demonstrates our travel experiences are worth the trip.

UNITED KINGDOM

The UK represents BC's third largest international market in terms of direct customs entries and was Canada's second largest market in 2013. While the UK market is now moving out of a long recession, with economic factors showing positive signs, the consumer is still value-focussed and risk-averse.

The UK has historically been a key market for BC, with direct flights and air capacity attributing to the growth of visitation. Despite increased competition from other destinations, the UK traveller continues to have interest in the breadth of awe-inspiring product available in BC.

Our role in the UK is to work in partnership with the CTC, key media, tour operators and industry to increase awareness and interest in travel to Canada. Also, social media activity continues to be an important marketing activity to showcase what BC has to offer, create new advocates and inspire repeat visitation. Alignment with CTC and travel industry partners is critical to raising the awareness of BC in such a competitive market.

Tour operators continue to be a significant booking channel in this market with the trend to online bookings increasing; the influence of online travel agencies is important to future growth.

GERMANY

Germany represents BC's sixth largest international market in terms of direct customs entries in 2013, moving up one spot from 2012. Germany remained the second largest European market for BC after the UK, and third largest for Canada in 2013.

German consumers tend to be travellers and explorers, and a natural fit with the BC travel experience. This mature market has a keen interest in four-season travel to BC and Canada, with potential for increased growth in the future. Air capacity from Germany, to both Calgary and Vancouver, provides ease of travel to Canada`s West, featuring appealing product in both BC and Alberta. Destination BC works very closely with Travel Alberta in this market to increase visitation. A solid longstanding relationship with the German travel trade has provided the opportunity to continue to add tourism product into tour operator itineraries throughout the province.

Destination BC works closely with the CTC and other PDMOs to set Canada and BC apart from the competition, with a focus on increasing consumer awareness and trade investment. Increasing competition in this market has necessitated the need to commit additional efforts in the near future to increase sales and move Canada to the top of the list.

AUSTRALIA

Australia represents BC's fourth largest international market in terms of direct customs entries and Canada's sixth largest market in 2013. BC has seen growth from this market for several years, weathering even the global financial crisis.

Australian travellers have a keen interest in both Canada and BC for four season travel. Direct flights and air capacity, as well as numerous connections through the US, have attributed to the growth and ease of access to and around BC. Canada's West is of great interest for the Australian visitor and as such, partnerships with Travel Alberta are key to growing market share as is partnership with CTC on grander scale promotions.

While the travel trade continues to see consolidation, solid long-standing relationships have provided the opportunity to continue to add BC tourism product from throughout the province into tour operator itineraries. The importance of OTAs in this market continues to grow, offering consumers many choices for booking packages to Canada.

We will continue to work closely with the CTC and Travel Alberta to build active consideration in this market and increase visitation and geographic distribution of visitors.

JAPAN

Japan represents British Columbia's fifth largest international market in terms of direct customs entries in 2013 and the seventh largest for Canada.

Despite challenges over the past two decades, including the 2011 earthquake and tsunami, Japan has retained its economic power. BC is now starting to see this market regain strength and recently welcomed additional air capacity from All Nippon Airways in 2014.

We continue to work with CTC and other PDMOs as "Team Canada", collaborating on marketing efforts to elevate interest in travelling to Canada.

With a strong relationship with key tour operators, our role is to continue to introduce new product into the market. Social media and travel media also form part of the foundation of our marketing approach.

APPENDIX D: TARGET CONSUMER PROFILES

To best develop effective tourism marketing activities, we have to truly understand the target leisure travellers in our key segments. Geographic markets offer the first level of segmentation used to understand target consumers. However, within each market, we also need to dig beyond basic geographic and demographic information to gather insights into travel behavioural profiles, activities that inspire travel, and the motivations, dreams and passions of target consumers.

There are many commonalities among people of a certain age group, income bracket, family composition, lifestyle/stage, and geography. However, profiles of short-haul markets and long-haul markets are fundamentally different.

SHORT-HAUL DRIVE MARKETS

Short-haul geographic markets include BC, Alberta and Washington. Target consumers in the BC and Alberta markets include almost all residents, as over 90% have taken a BC trip in the last five years. The profiles of these travellers are similar in terms of demographics, travel behaviour, the emotional rewards they are seeking from travel and their EQ segmentation. Their age, education and income are representative of the general population.

One-third of frequent BC trip takers are EQ segments Gentle Explorers, 18% are Authentic Experiencers, and 12% are Free Spirits. Almost all associate BC with scenery and outdoor activities and express an emotional connection to BC's natural environment. Top Travel Experiences include Touring & Exploring, Outdoor Adventure and City Stays.

The stronger Washington State prospective travellers for BC travel are higher income and education, and Authentic Experiencers. High travel motivations include Touring & Exploring, Outdoor Adventure, City Stays and Skiing.

LONG-HAUL FLY MARKETS

Long-haul markets include Ontario, California, China, UK, Germany, Australia and Japan. In most markets only about one-third of residents take any long-haul trips. Some are familiar with BC or have some existing interest. There are important distinctions between medium/long-haul markets with greater familiarity with BC (e.g. Ontario, California) and the other long-haul markets, where unfamiliarity, distance, cost and availability of air connections represent more barriers to visitation.

In general, North American long-haul target markets have higher income and more formal education, and while broad-based in age, skew slightly older. In these markets, Gentle Explorers are the largest segment (28%) among BC visitors, followed by Authentic Experiencers (24%) and Free Spirits (22%).

Both in North America and abroad, BC has strong appeal among travellers with a desire to explore and experience new things. The potential is focused on Touring & Exploring, City Stays, Outdoor Adventure, Skiing, where the BC experience justifies the higher cost of travel versus competition located nearer to home.

EQ SEGMENTS

We can't attract tomorrow's consumer unless we build and strengthen emotional connections. That's why we use the CTC's "Explorer Quotient" (EQ) segmentation to help us understand the needs and motivations of target travellers.

To update our knowledge of visitors and target markets, we've analysed BC's top ten markets in terms of the CTC's EQ Segments. Three segments have been chosen for BC:

- Authentic Experiencers
    - Older travellers prioritizing engagement with locals.
- Free Spirits
    - Younger, adventurous thrill seekers.
- Cultural Explorers
    - Avid, open-minded "immerse themselves" travellers.

The Cultural Explorer and Free Spirit groups are the most likely to become social networking advocates. While all BC target groups have widespread interest in nature, and activities in nature, the Authentic Experiencers are the most nature-oriented.

	AUTHENTIC EXPERIENCERS	CULTURAL EXPLORERS	FREE SPIRITS
Description	Older travellers prioritizing engagement with locals	Avid, open-minded 'immerse themselves'. Enthusiastic travellers	Younger, adventurous thrill-seekers
Profile Highlights	Older, educated, frequent travellers	Younger, average income, frequent travel	Younger, female bias, high travel frequency, less past BC visitation
MARKET IMPORTANCE			
CTC Global	9%	12%	13%
BC Visitors: Short-Haul Markets	17%	10%	13%
BC Visitors: Long-Haul NA Markets	20%	8%	18%

Note: Overseas EQ segmentations change by market. As such, highlights have been provided for BC's largest market, North America.

Destination BC will also consider the "Gentle Explorers" segment in its planning, especially for the BC, Alberta and Washington markets, however due to the natural propensity for this market to be attracted to BC, less focus will be placed actively influencing them. This is the largest target market group for BC travel, and characterised by their preference for familiar destinations and comfortable experiences.

TRAVEL EXPERIENCES

While each traveller is unique, there are certain travel experiences for which BC is known and which have greater appeal in our geographic top ten markets.

Travel Experiences - Potential by Market

	TOURING & EXPLORING	CITY STAYS	OUTDOOR ADVENTURE	SKIING	NATURE EXPERIENCES	ABORIGINAL	CRUISE	WINE TOURING	GOLF	FISHING
INVEST										
Alberta	High	High	High	High	High	Med	Med	High	High	Med
Washington	High	High	High	High	Med	Low	Med	Med	Med	Med
California	Med	High	High	Med	Med	Low	Med/ High	Low	Low	Low
China	High	High	Low/ Med	Med	High	Low/ Med	Low	Med	Low	Low
MAINTAIN										
BC	High	Med	High	High	Med	Low	High	High	High	High
Ontario	Med	High	Med	High	High	Low	Med	Low	Med	Low
UK	High	High	High	High	High	Low/ Med	High	Med	Low/ Med	Med
Germany	High	High	High	High	High	High	Low	Med	Low	Low
Australia	High	High	High	High	High	Low/ Med	High	Med	Low	Low
Japan	High	High	Low/ Med	Med	High	Low	Low	Med	Low	Low

Note: Rated for potential in key markets for each travel experience as High, Medium or Low.

APPENDIX E: TRAVEL EXPERIENCES

The global travel market is becoming increasingly diverse and segmented. However, most of our target consumers share one thing in common: they have an increased desire for travel experiences that express individuality, including travel that offers unique, exotic experiences. There are also travellers who pick their destination based on pre-existing passions and pursuits.

Because of this increased desire for experiential travel, destinations can no longer rely on basic geographic attributes and traditional travel products to lure travellers. For Destination BC, this means we must promote unique travel experiences that combine the product and the destination to provide something the traveller cannot experience elsewhere.

Over the next three years, we will increase our competitive strength in North America for the top travel experiences that inspire and motivate travel to BC, while at the same time ensuring our marketing efforts reflect that it is the combination of all travel experiences that compel visitors to BC.

Our plan is to promote iconic experiences that emotionally resonate most strongly with our target consumer segments and are pillars of our brand story.

Our target consumers strongly connect with the unique combination of ocean, rainforest and mountains in BC, as well as the stunning natural beauty and wildlife. We've identified five iconic experiences that showcase those aspects of British Columbia's brand in the most compelling way:

- Canadian Rockies
- Rainforests
- Cities in Wilderness
- Ocean Coast
- Ski

In terms of participation, the following travel experiences are important to the provincial value proposition and have the most significant short-term and/or long-term visitor volume potential:

- Touring & Exploring
- City Stays
- Outdoor Adventure
- Skiing
- Aboriginal Culture

In addition, there are four important trip-motivators and activities for our top ten markets:

- Cruise (Inside Passage)
- Wine Touring
- Fishing
- Golfing

TOURING & EXPLORING

Touring & Exploring inspires and appeals to the visitor with a sense of adventure and a desire to explore and experience new things. Touring encompasses the range of experiences visitors participate in while travelling through a destination, and as such represents the full suite of all experiences within BC, including cultural activities (e.g. historical sites, museums, concerts), recreational activities (e.g. theme parks, attractions, spas), outdoor activities (e.g. surfing, cycling), etc. Touring & Exploring can be guided or self-guided and can utilize various forms of transportation (e.g., bicycle, motorcycle, motor coach, personal vehicle, rental car, RV).

Touring & Exploring is BC's largest trip motivator. Within the BC drive market, 76% are motivated to sightsee, 60% to relax, and 56% to see nature and scenery. On average, self-guided touring visitors spent eight nights in BC, and stop overnight at four different locations.

BC's main Touring & Exploring source markets include BC, Alberta, Germany, Australia, Ontario, Washington, and United Kingdom, and appeals to all three of BC's EQ segments.

CITY STAYS

BC's cities attract visitors from around the world, and are generally highly ranked in publications and consumer-review websites. In 2014, BC received three spots on TripAdvisor's top 10 rated Canadian destinations: Vancouver was rated as the #1 destination, followed by Victoria (#5) and Whistler (#9). In most markets, the Vancouver brand is close, to or better than, British Columbia for unaided awareness.

During the past two years, City Stays accounted for approximately 70% of visitors from BC, Alberta and Washington. In British Columbia, City Stays are defined as trips which involve a visit to a city within the province to partake in urban activities, e.g. dining, shopping, nightlife, events, etc. Often, the destination is chosen for the variety of tourism experiences offered rather than the availability of a single activity. While City Stays are rarely the primary reason for a trip, many visitors spend time in BC's cities as part of their stay.

Vancouver has the largest number of visitors: 8.3 million visitors annually, followed by Victoria at 3.1 million. Visitor spending follows a similar pattern: $3.5 billion spent in Vancouver, followed by Victoria, where visitors spend $970 million, Whistler at $1.1 billion and Kelowna at $297 million.

OUTDOOR ADVENTURE

Outdoor Adventures entail active outdoor pursuits, such as mountain biking, cycling, heli-hiking, hiking, camping, river-rafting, ocean, lake or river kayaking and surfing. Parks and public lands are a crucial part of Outdoor Adventures.

Outdoor Adventure is a critical sector: the majority of BC residents (91%) participate in outdoor recreation activities. This type of travel experience appeals to all three EQ segments, in particular Free Spirits.

BC's Outdoor Adventure travellers are younger than other travellers (in the mid-30s on average). The majority are male and single/never married. BC's top target markets for Outdoor Adventure include BC, Alberta, Ontario, Washington, California, UK, Germany and Australia.

SKIING

British Columbia's downhill ski /snowboard tourism sector is world-renowned, thanks in large part to the success of BC's destination mountain resorts. One of the most recognizable is Whistler Blackcomb, which consistently records the most skier visits in North America and was ranked 9th most visited ski area globally in the 2012-13 ski season, with 2.6 million skier visits. Many of our ski resorts frequently receive top marks and accolades from ski authorities and media around the world.

BC ski areas collectively own 34% share of annual Canadian skier visits and 1% of the 400 million global skier visits. Spurred by market expansion in China and Eastern Europe, growth projections call for global skier visits to increase from 400 to 420 million by 2020 (+5%)[8]. We've also identified potential for trips from visitors in our top target markets of BC, Alberta, Washington, California, UK, Germany, Australia, Japan and Mexico. In China, the BC ski experience is currently being introduced in the market.

Skiing has been identified as one of BC's iconic experiences, in part due to BC's 10 mountain ranges, 50+ ski areas and 13 world-class resorts, vast and uncrowded terrain, snow reliability and quality, destination skier revenues and being the birthplace of heli-skiing. Skiing also offers travellers a compelling reason to travel in winter, into many corners of BC, which balances peak summer travel to help position BC as an attractive four-season destination.

ABORIGINAL CULTURE

Aboriginal cultural tourism is a relatively small, but rapidly growing, sector of the BC tourism industry. According to the Aboriginal Tourism Association of British Columbia (AtBC), which leads the development

[8] Source: 2013 International report on Snow & Mountain Tourism

and marketing of the sector in the province, visitor spending on Aboriginal cultural tourism totalled $42 million in 2011, up from $20 million in 2006, and is forecasted to rise to $68 million by 2017.

Visitors tend to be from North American and European countries and visit BC for an average of 13 days, with 3 days devoted to Aboriginal cultural tourism experiences. Primarily due to the longer length of stay, visitors who participate in Aboriginal cultural tourism generally spend more per trip than other visitors.

While Aboriginal cultural tourism products and activities currently tend to be sought out at the destination rather than serving as the primary travel motivation, there are considerable growth opportunities for the BC Aboriginal cultural tourism industry. Markets in China, India and Mexico show considerable interest in Aboriginal cultural tourism and place high importance on it when choosing a destination to visit. Other top target markets include Canada, United States, Germany, South Korea, and the United Kingdom.

APPENDIX F: PATH TO PURCHASE MODEL

The Leisure Path to Purchase model helps direct our marketing efforts to the stages in the travel purchase decision where we can best influence our customers.

As an industry, we each have a role in capturing the imagination and interest of prospective visitors through marketing tactics that target the key stages on the path to purchase. Destination BC's marketing focuses primarily on inspiring travellers to actively consider a trip to and around British Columbia, and encouraging our visitors to recommend BC to friends and family. As the model is not linear, we may touch travellers at any point on the path.

APPENDIX G: ICONIC EXPERIENCES

In addition to building urgency through a highly emotional brand personality, we have identified the unique and emotionally motivating travel experiences that define British Columbia. These are the truly exotic experiences that BC does better than the competition and give travellers a reason to come now.

We commissioned quantitative and qualitative research in our core long-haul markets (domestic and international) to determine which experiences most strongly differentiate British Columbia, and position it to win against the many global choices available to travellers.

We learned it is the unique combination of ocean, rainforest and mountains in BC, as well as the overall natural beauty and wildlife that live here, that create emotional resonance for our target visitors in long haul markets. Five iconic experiences have been identified that showcase BC in a compelling way:

- Canadian Rockies
- Rainforests
- Cities in Wilderness
- Ocean Coast
- Skiing

These iconic experiences will be featured 'in our storefront window' and used to draw travellers to BC in order to enjoy the thousands of other exceptional experiences 'within our store'.

APPENDIX H: COMMUNICATING THE BRAND

The further a market is from BC, the less known the name "British Columbia" becomes and the more significant the Canada brand becomes.

In many overseas markets, there is low consumer awareness of individual provinces or states. The consumer's first decision may relate to a choice to travel to North America vs. Australia, followed by a choice between Canada and the US, west coast or east coast. Then, as consumers begin to imagine their travels, they will most often choose a city experience as the first stop in their travels (a choice that is significantly driven by air routes).

Therefore, in markets that are geographically close to us or have significant familiarity, we will lead with the British Columbia brand and use the Canada brand as an endorsement. In overseas markets, we will flip the hierarchy: the lead brand will be Canada, and British Columbia will become the sub-brand.

For a brand to function effectively, it must be clearly and consistently communicated across all global and local channels and touch points. A well-defined brand enables us to collectively strengthen our marketing impact by amplifying the voice of our brand through all stakeholders. The better aligned we are as a province across various regions, cities and sectors, the more success we will have in capturing the attention of potential travellers.

As we continue down the path of revitalizing the BC brand personality, we must work hard to ensure the tourism industry embraces and supports its messaging. In doing so, the brand will be more effectively communicated and will authentically resonate in the hearts and minds of consumers.

APPENDIX I: BRAND DEVELOPMENT PROCESS

In developing our brand, we knew that to become more compelling and differentiated, we had to determine the authentic, emotional qualities of BC that are rooted in its people, history and experiences. In short, we needed to develop a strong personality for BC.

We embarked on a comprehensive process of reviewing and revitalizing the British Columbia destination brand to ensure it clearly differentiates BC from other jurisdictions, reflects changing consumer dynamics, motivates short and long-term visitation, and provides a unifying vision and voice for the industry.

To do this, we conducted Brand Discovery qualitative and quantitative research with over 10,000 consumers across our international markets. We gathered input from over 350 industry stakeholders, both at home and abroad. We sought insights from 115 frontline people in our Visitor Centre Network who talk with thousands of visitors each year. We assessed competitive brands and worked with branding experts to refine our brand proposition.

We learned that consumers have positive impressions of British Columbia and continue to want to travel here.....someday. We learned that, in a world of increasingly aggressive competition, we do not have the emotional resonance and urgency required to motivate travellers to put British Columbia at the top of their must-see list.

This means that, in addition to featuring and differentiating our physical assets, we need to work harder to build greater emotional appeal around travelling to British Columbia. Consumers must feel the "magnetism" of traveling here now.

Our discovery phase highlighted two main ways we can increase the urgency to come now:

- We need to show that BC has what they are craving in abundance, that BC can satisfy strong emotional needs in our target audience.
- We need to be clearer about the unique experiences that BC has to offer – to focus less on diversity, on being all things to all people, and more on a handful of truly un-missable experiences.

APPENDIX J: DESTINATION DEVELOPMENT

We need to remain relevant and compelling in an increasingly competitive global context. This is why we are working collaboratively with other parts of government, communities, businesses, DMOs, sectors and stakeholders such as economic development officers, to address the need for tourism destination development strategies that enhance BC as a destination of choice.

In order to elevate tourism business operator's ability to compete as a premium destination, it is important we develop and enhance BC's current and future tourism assets together. We need development plans and strategies, and we need to work collaboratively and build partnerships to find the best way to move these plans forward. It is essential we do this together.

Together, we are creating more highly-valued and impactful roles in destination development to ensure communities and stakeholders benefit from new plans and programs when implemented.

Roles include:

- Developing a provincial framework to address destination development in BC.
- Represent the many geographies and tourism interests in our province.
- Helping regional businesses develop remarkable experiences for visitors through access to consumer insights, new planning and marketing tools and technologies, and training.
- Working with communities to develop and align community tourism plans that maximize the economic and social benefits of tourism growth for local economies.
- Working to align economic development activities and tourism destination development activities.

A strong focus on destination development will help make BC the most highly recommended destination in North America.

APPENDIX K: REMARKABLE EXPERIENCES PROGRAM

To truly energize British Columbia and make it the most recommended destination in North America, we will create the Remarkable Experiences Program, a destination development program. Through this program, we will take a fresh approach to working with industry and offer enhanced professional development resources as part of the overarching focus on destination development.

The Remarkable Experiences Program will enable tourism operators to become experts in areas such as service design and digital marketing. It will help tourism businesses elevate their value proposition and deliver remarkable guest experiences that garner recommendations, referrals and repeat visits.

As we lead the development and implementation of this new program, we will explore opportunities to work collaboratively with our partners, such as the RDMOs. We will provide hands-on support to tourism industry operators by connecting them to knowledge-building tools and a network of like-minded operators. Further, we will help operators amplify BC's world-wide marketing presence through online reputation management and social media competency, and by encouraging them to focus on increasing their net promoter score.

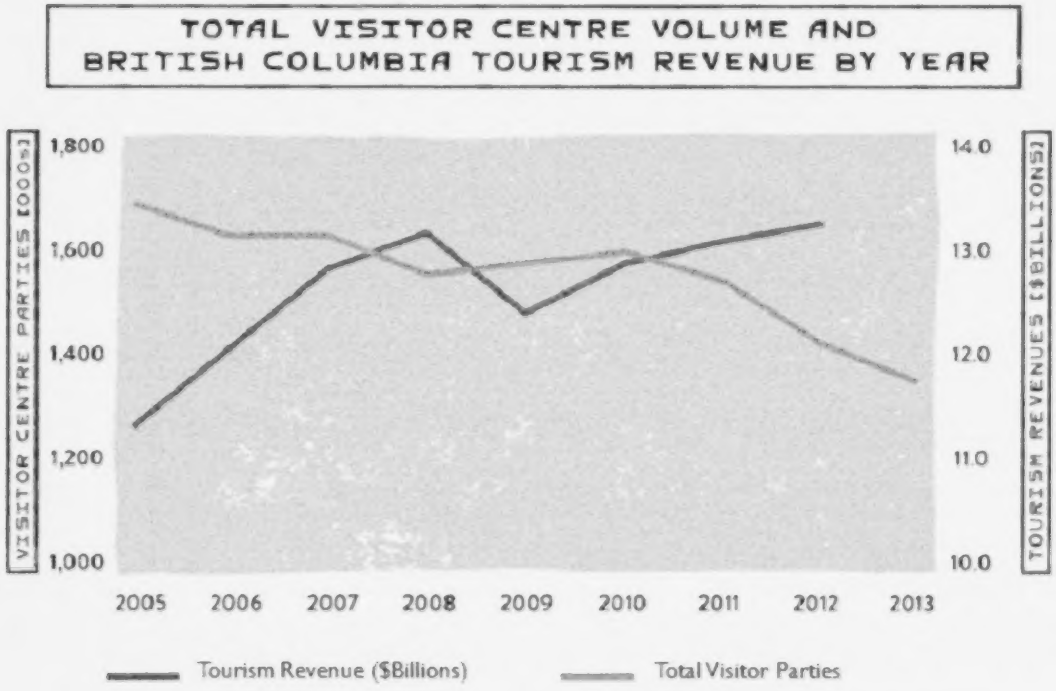
We will begin by implementing pilots within each of the tourism regions; this will help us learn about and improve the program delivery model. After the first pilots, we'll assess the program, with the goal of scaling it out to all tourism businesses within the next three years.

APPENDIX L: VISITOR SERVICES

By providing remarkable visitor service to our guests while they are travelling in BC, we have the opportunity to extend their stay and/or spending by introducing new ideas for attractions and excursions. Most importantly, we have the opportunity to enhance their experience and garner positive recommendations and referrals to friends, family and colleagues.

As a result of today's world of pervasive technology, consumer behaviour has changed dramatically across most industries. Travel is no exception. Pre-travel planning and purchases, as well as in-market itinerary choices, are now trending toward online resources and research.

With over 100 locations across the province, the Visitor Centre Network continues to play an important role in helping to service travellers. However, usage has been in decline with 800,000 fewer visitors served in 2013 than in 2005. The traditional approach of welcoming travellers into bricks and mortar locations alone no longer has the broad economic impact that can be achieved by a strategy that also capitalizes on the many other information channels available to visitors today.



Over the next year, we will work with the Visitor Centre Network to expand the delivery of visitor services for the future, and create more contemporary and innovative approaches to serving our guests' information needs as they travel throughout the province. This shift will include moving from a broad provincial focus to a

more authentic community feel, and stronger engagement with tourism businesses and partners to foster a customer-centric culture.

This approach will enable communities to evolve their visitor information services to incorporate forward-thinking online, mobile and crowd-sourcing channels, coupled with traditional visitor centres, as appropriate to each community. We will create scalable tools that can be tested through pilot projects in the first year, (e.g., a location-enabled social media "information booth" or a self-serve visitor information app with localized content, etc), and will help inform community visitor services going forward.

The ultimate outcomes for the tourism industry will be ensuring exemplary visitor services are available when and where our visitors need them, with easy and dynamic access to information from anywhere in BC, anytime. We believe this Visitor Services strategy will better serve the majority of our visitors.

APPENDIX M: CO-OPERATIVE MARKETING PROGRAM

Since 1986 co-operative marketing programs have been a cornerstone in our promotion of BC to travellers, benefitting communities, sectors and businesses. Throughout the years, the programs have adapted and changed based on the changing landscape and the needs of industry. Once again, we are shifting our program to align to our new priorities as well as address concerns from industry. Through an extensive consultation process, we are refining our co-op marketing vision to ensure it continues to support communities, sectors and businesses in the best way possible.

The purpose of the new Destination BC Co-op Marketing Program is to enable groups with common interests and common marketing goals, which align with Destination BC's strategic priorities, to leverage both private and public funds to achieve greater marketing impact and ROI.

The goals of the new Co-op Marketing program are:

- Increase BC tourism revenues and drive short-term results in a way that delivers long-term brand equity.
- Connect industry to the provincial brand, building brand equity through all province-funded marketing initiatives.
- Drive industry collaboration to maximize marketing impact and ROI.

The benefits of the new program include:

- Foster greater collaboration among communities and sector organizations so that marketing efforts achieve some critical mass and investments have greater impact for all.
- Every community, business and stakeholder that currently receives support, either directly or indirectly from Destination BC, will have access to the same or a greater level of support during the transition to, and implementation of, Destination BC's strategy.
- Funding in each of the six geographic tourism regions will be greater than current levels and incremental funds will be available for more parts of industry.
- Put more decision making in the hands of community consortia both big and small, rural stakeholders in travel corridors, and the many experience sectors that are flourishing in BC. Enable a greater voice for these entities in how to grow tourism for their stakeholders and how best to partner with private sector operators.
- Enable commitments for marketing initiatives for a longer 1-3 year period in order to build greater continuity and momentum in industry's marketing efforts.
- Enable greater strategic alignment for travel experiences that are critical to our brand positioning.

Based on anticipated cost savings, it is anticipated more funds will be allocated through the Co-op Marketing program to industry. Through consultation, we are developing the program to bring together provincial and local goals, and partner provincial funds with other external sources of funding in the tourism system to increase impact and alignment.

We look forward to receiving industry input to improve the design of the program and develop guidelines for it.

APPENDIX N: TOURISM SYSTEM

During the development of this corporate strategy, we've been meeting with our DMO partners at every level – CTC, PDMOs, RDMOs, CDMOs, sector organizations, and industry – to rethink our respective roles and determine how to help BC and Canada be a stronger competitor in the future.

Many of us believe we need a new model for collaboration that allows everyone in the tourism system to become more specialized and excellent in its work, creating a highly integrated network of highly differentiated, highly valued roles. Our goal is to create a more powerful marketing network – one that is ready for the consumer and marketing forces that have already dramatically changed the landscape.

We cannot expect to get better results if we use the same strategies, same models, and same business practices.

The goal of our new approach is to create greater strategic alignment, amplify the brand's potential across all industry touch points, create access to more marketing funds for all parts of industry, and reduce administration costs and duplication wherever possible.

There are both overlaps and critical gaps in our current destination management approach. We need to better organize and focus our efforts. We need to create a truly integrated, interdependent network of specialized partners that perform with excellence and add incremental value that cannot be achieved alone. Change like that requires willingness in all of us to believe there is a better way and to be willing to adapt what we do and how we do it so that we can be more successful in growing the industry.

We are working in collaboration with DMOs at every level -- the CTC, RDMOs, CDMOs and other Provinces -- to redefine roles and how we approach marketing globally. We are working with our provincial partners on a Canada-wide examination of broader changes to our travel trade approach, starting with a pilot in Germany. We are changing our market support model in South Korea, India and Mexico by working more closely with the CTC.

These changes are building a stronger, more formidable marketing network in our country that is a long-term path toward winning in an increasingly competitive world.

APPENDIX O: COMMUNITIES OF PRACTICE

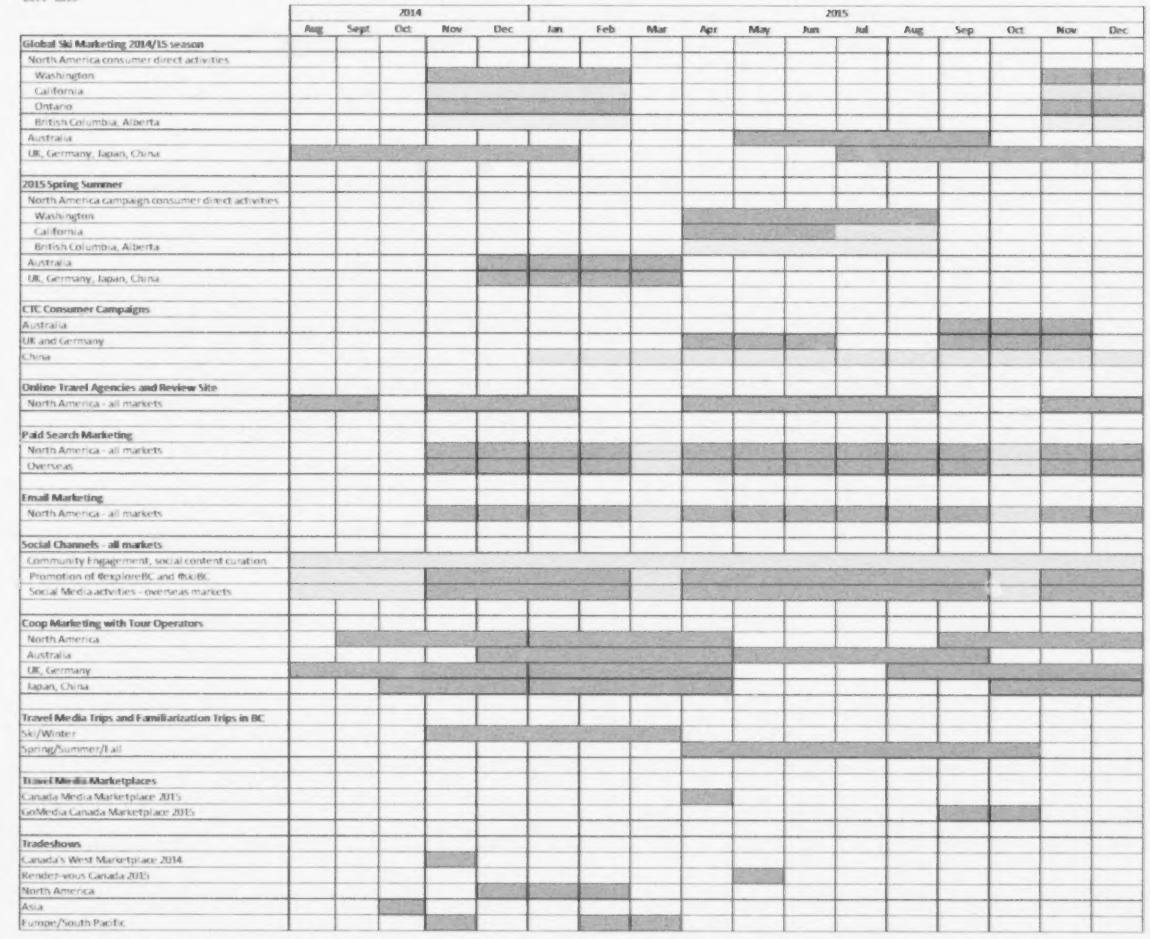
In the rapidly changing environment in which we work, it's important to find new ways to develop and foster knowledge and expertise. Communities of Practice provide a way to connect people in the Destination BC team through the spirit of learning, knowledge sharing, and collaboration. Three Communities of Practice have been created - Social Media, Enterprise Analytics and Content Strategy.

Each of the Communities will bring together people in our organization who have the knowledge and expertise to identify opportunities and challenges and to seek out best practices to effectively stimulate learning and embed new capabilities in the organization.

APPENDIX P: MARKETING CALENDAR

Destination BC Marketing Activity Calendar

2014 - 2015



Colour key: level of activity and investment:

- Heavy
- Medium or ongoing
- Light

APPENDIX Q: WORKING WITH DESTINATION BC MARKETING

There are many ways to participate in Destination BC's Marketing Plan.

Tell us about your product

To visit our Vancouver office and deliver your product presentation to key staff, contact:

Kathleen Harvey	Kathleen.Harvey@DestinationBC.ca

To update us via email/phone about your product, contact:

North America Media	Mika.Ryan@DestinationBC.ca Janice.Greenwood-Fraser@DestinationBC.ca
North America Travel Trade	Sebastien.Dubois@DestinationBC.ca
Asia Travel Trade	Monica.Leeck@DestinationBC.ca
Europe/South Pacific Travel Trade	Kim.Hood@DestinationBC.ca

Consumer Marketing and Consumer Travel Planning Tools

To learn more about Destination BC's consumer-direct marketing activities, contact:

North America	Jacqueline.Simpson@DestinationBC.com
Overseas	Maria.Greene@DestinationBC.com

HelloBC Listings Program and Travel Deals

To learn more about listing your tourism business, experience, festival and event and/or travel deal on HelloBC.com, contact:

Kathleen Harvey	Kathleen.Harvey@DestinationBC.ca

Social Media Channels

Destination BC is active across a number of social media channels, and encourages BC's tourism industry to get involved. Destination BC's social media channels can also connect you to industry programs and resources.

Destination BC's corporate channels:	•Twitter	@DestinationBC
Destination BC's consumer channels:	• Twitter	@HelloBC
	• Facebook	fb.com/HelloBC
	• Instagram	@HelloBC
	• Pinterest	pinterest.com/HelloBC
	• YouTube	youtube.com/HelloBC

Co-op Marketing

For more information on the Co-op Marketing Program, contact:

Peter Harrison	Peter.Harrison@DestinationBC.ca

Hosting

Interested in hosting travel trade familiarization trips? Contact your local Regional or City DMO, or Destination BC directly:

North America	Sebastien.Dubois@DestinationBC.ca
Asia	Monica.Leeck@DestinationBC.ca
Europe/South Pacific	Kim.Hood@DestinationBC.ca

Interested in hosting media trips? Contact your local Regional or City DMO or Destination BC directly:

North America	Mika.Ryan@DestinationBC.ca Janice.Greenwood-Fraser@DestinationBC.ca
Asia	Monica.Leeck@DestinationBC.ca
Europe/South Pacific	Kim.Hood@DestinationBC.ca

Travel Trade

For information on how to work with the travel trade (e.g. Receptive Tour Operators, Tour Operators), contact:

North America	Sebastien.Dubois@DestinationBC.ca
Asia	Monica.Leeck@DestinationBC.ca
Europe/South Pacific	Kim.Hood@DestinationBC.ca

Trade Shows

Our teams attend key tradeshows and media marketplaces globally. For more information about these marketplaces, contact:

North America Media	Mika.Ryan@DestinationBC.ca Janice.Greenwood-Fraser@DestinationBC.ca
North America Travel Trade	Sebastien.Dubois@DestinationBC.ca
Asia Travel Trade	Monica.Leeck@DestinationBC.ca
Europe/South Pacific Travel Trade	Kim.Hood@DestinationBC.ca

Canada's West Marketplace

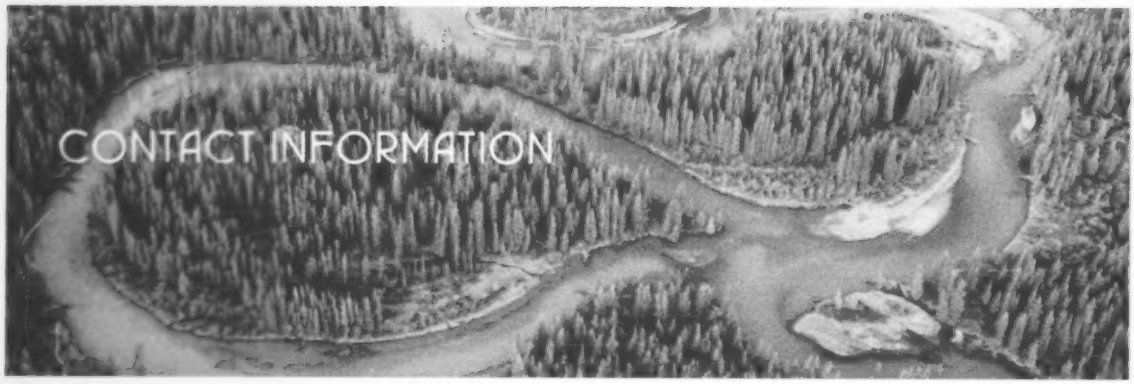
In partnership with Travel Alberta and in operation since 1989, Canada's West Marketplace provides opportunities to meet with key global travel trade (e.g., Receptive Tour Operators, Tour Operators). For more information, contact:

www.CanadasWestMarketplace.com Christine.Jones@DestinationBC.ca

Rendez-vous Canada

Rendez-vous Canada is Canada's largest international tourism marketplace, presented by the Canadian Tourism Commission. The event provides opportunities to meet with key global travel trade over four days, and is hosted by a different province annually. For more information, contact:

www.RendezvousCanada.travel Christine.Jones@DestinationBC.ca



CONTACT INFORMATION

All correspondence and/or enquires should be directed to:

Destination British Columbia
12th Floor, 510 Burrard Street
Vancouver, BC V6C 3A8

Tel: 604 660 2861
Fax: 604 660 3383
Email: Tourism@DestinationBC.ca

Corporate website: DestinationBC.ca
Tourism information: HelloBC.com

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British Columbia™